

## **Acknowledgments**

In creating a Comprehensive Economic Development Strategy for the Matanuska-Susitna (Mat-Su) Valley, we have been obliged to evaluate our position and role within the greater context of Alaska's statewide economic development. From that perspective, we have been able to see a larger horizon and form a better basis for recognizing our own challenges and assets.

The resulting Comprehensive Economic Development Strategy (CEDS) is specific and practical within the framework of our existing conditions, but also designed to meet the larger foreseeable challenges and opportunities of the next several decades.

A great deal of effort and communication has taken place, all aimed at reaching a consensus about the immediate development needs of the Mat-Su Valley, and establishing the CEDS process as a means of identifying and developing new economic opportunities in the years to come. The Matanuska-Susitna Resource Conservation and Development Council, project leader Charles Parker, ARDOR Executive Director, and the Business & Industrial Committee have received generous support throughout the process.

We especially wish to thank the Mat-Su Borough, the Mat-Su Convention and Visitors Bureau, the Mat-Su Borough Assembly, the Chambers of Commerce, and the large numbers of Mat-Su citizens who have taken the time to participate in gathering the pertinent information and evaluating it.

The ability and willingness of people to work together to assemble information necessary to formulate the CEDS has been well expressed during the past year. No single agency or organization has, within itself, the capability to solve all the complex problems involving economic development. We ask your continued support in our effort to help local people help themselves.

## **II. Membership of the Council and Affiliation**

The Mat-Su Resource Conservation & Development Council (RC&D) is the regional economic development organization and was responsible for the development of this CEDS with priorities identified by the Mat-Su Borough Assembly. The RC&D was initiated and incorporated by the local Soil & Water Conservation Districts, the cities of Palmer and Wasilla, Mat-Su Borough, Mat-Su Economic Development Corporation, Willow Chamber of Commerce and Mat-Su Convention and Visitors Bureau. The Council is also a state designated Alaska Regional Development Organization (ARDOR).

The Mat-Su Borough Assembly, with public input, recently established a set of priorities to clearly identify the path for development. The seven Assembly members and the Borough Mayor represent all communities within the borough. The Borough Planning Department provided background information, a proposed project list and previously submitted Overall Economic Development Plans. Both the Borough Administration and the Assembly are supportive of these efforts.

RC&D's mission is to promote conscientious economic development with emphasis on the values and pursuits of the residents of the Mat-Su Borough. The RC&D is an independent, not-for-profit, non-partisan group of twenty-five members representing the various chambers of commerce, borough, cities, soil and water conservation districts, school district, utilities, interest groups, members-at-large and the convention and visitors bureau. The RC&D's outreach extends further with the committee membership and through the economic sector workgroups.

## **Mat-Su Resource Conservation & Development Council**

President: Bruce Borup  
Vice President: Dick Zobel  
Secretary: Al Jorgenson  
Treasurer: Donna Totten  
Past President: Ted Smith  
Meg Burgett  
Darcie Salmon  
Ed Brittingham  
Janet Kincaid  
Anna Von Reitz  
Wayne Carmony  
Sarah Palin, Mayor  
Kelly Ladere  
Michael J. Scott  
Clarence Furbush  
Debby Retherford  
Tim Sullivan  
Steve Levine  
Dan Deedy  
Steve Totten  
Elizabeth Ripley  
Jim Cooper  
Bill Stearns  
Sandy Crawford  
Robert Thom

Palmer Economic Development Authority  
Alaska Soil & Water Conservation District  
Mat-Su Native Federation  
Houston Chamber of Commerce  
Willow Chamber of Commerce  
Wasilla Soil & Water Conservation District  
Mat-Su Board of Realtors  
Greater Wasilla Chamber of Commerce  
Mat-Su Convention & Visitors Bureau  
Big Lake Chamber of Commerce  
Matanuska Electric Association  
City of Wasilla  
Upper Su Soil & Water Conservation District  
Mat-Su Borough Manager  
Palmer Soil & Water Conservation District  
National Bank of Alaska / Banking  
Small Business Development Center  
Mat-Su Borough School District  
Enstar Gas  
City of Houston  
Greater Palmer Chamber of Commerce  
City of Palmer  
Talkeetna Chamber of Commerce  
Matanuska Telephone Association  
Alaska Farmers & Stock Growers

### **Staff:**

Charles Parker  
Rhoda Portis

Executive Director  
RC&D Coordinator

Contact:  
351 West Parks Highway, Suite 100  
Wasilla, AK 99654  
(907)373-1062 Fax: 373-1064  
e-mail: [matsurcd@mtaonline](mailto:matsurcd@mtaonline)

## **Partners in Development**

### **Mat-Su Borough Assembly**

Borough Mayor

District #1 Assembly Representative

District #2 Assembly Representative

District #3 Assembly Representative

District #4 Assembly Representative

District #5 Assembly Representative

District #6 Assembly Representative

District #7 Assembly Representative

Darcie Salmon

Larry DeVilbiss

Sara Jansen

Jim Colberg

Dan Kelly

Jodie Simpson

Jim Turner

Doyle Holmes

### **Mat-Su Borough Administration**

Mat-Su Borough Manager

Assistant Borough Manager

Director of Public Works

Director of Community Development

Director of Finance

Planning Department Chief

Borough Clerk

Michael Scott

John Duffy

Jim Swing

Ron Swanson

Tammy Clayton

Sandra Garley

Sandra Dillon

Mat-Su Borough Port Commission

Mat-Su Borough Planning Commission

Mat-Su Borough School Board

Mat-Su Borough School District

Mat-Su College

City of Palmer

City of Wasilla

City of Houston

23 Recognized Community Councils

Knik Tribal Council

Chickaloon Tribal Council

Greater Palmer Chamber of Commerce  
Greater Wasilla Chamber of Commerce  
Houston Chamber of Commerce  
Talkeetna Chamber of Commerce  
Big Lake Chamber of Commerce  
Willow Chamber of Commerce  
Mat-Su Convention & Visitors Bureau  
Small Business Development Center  
Palmer & Wasilla Kiwanis  
Palmer & Wasilla Rotary  
Valley Board of Realtors  
Mat-Su Homebuilders Association  
Matanuska Electric Association  
Matanuska Telephone Association  
Enstar Natural Gas  
Financial Institutions  
    National Bank of Alaska/Wells Fargo  
    KeyBank  
    1<sup>st</sup> National Bank of Anchorage  
    Alaska USA Federal Credit Union  
    Mat-Valley Federal Credit Union  
Job Corps  
Museum of Alaska Transportation & Industry  
Anchorage Convention & Visitors Bureau  
Anchorage/Mat-Su Local Workforce Investment Board  
Anchorage Chamber of Commerce

Anchorage Economic Development Corporation  
ARDOR Association  
Alaska Minority Business Development Center  
Resource Development Council  
Rural Development Council  
Denali Commission  
Cook Inlet Region, Inc.  
Cook Inlet Housing Authority  
Upper Cook Inlet Conservation Coalition  
U.S. Department of Commerce  
    Economic Development Administration  
State of Alaska  
    Department Community & Economic Development  
    Department of Transportation & Public Facilities  
    Department of Natural Resources  
Alaska Railroad Corporation  
Alaska Science & Technology Foundation  
Alaska Housing Finance Corporation  
Alaska Industrial Development & Export Authority  
U.S. Department of Agriculture  
    Natural Resources Conservation Service  
    Farm Service Agency  
    Rural Development Administration  
    Forest Service  
Valley Community for Recycling Solutions  
Valley Center for the Environment

Senator Lyda Green

Senator Rick Halford

Representative Vic Kohring

Representative Scott Ogan

Representative Beverly Masek

Senator Ted Stevens

Senator Frank Murkowski

Representative Don Young

### **III. CEDS Process**

This CEDS was drafted after two major economic development conferences and a series of follow up meetings with the RC&D Council Board of Directors. The conferences included three panels representing transportation, natural resources and tourism. Panelists are identified in the following charts, and complete summaries of the conferences are attached in Appendix A. The panelists, with the participation of the audience, established a series of priorities in each of the targeted areas, and major projects were identified and goals and objectives were detailed. The Mat-Su RC&D Council held these conferences with the intention that they become an annual event as well as a tool for community participation in the economic development planning process. A complete summary of both conferences can be found in Appendix A.

In addition to the public process, Anna Von Reitz, Chair of the Business and Industry Committee of the Mat-Su RC&D, has developed economic sector workgroups which will meet to discuss various CEDS related issues and to continually add to and update the CEDS document.

Additional input from every community, identifying development priorities, was sought using a written survey. Letters explaining the intent of the process were sent to each of the community councils including: Big Lake, Butte, Chase, Chickaloon, Fishhook, Glacier View, Greater Farm Loop, Knik-Fairview, Lake Louise, Lazy Mountain, Meadow Lakes, North Lakes, South Lakes, Petersville, Point MacKenzie, Skwentna, South Knik River, Sutton/Alpine, Talkeetna, Trapper Creek, Willow and the "Y". Responses which were received have been included at the end of this section. Annual surveys will also become a regular part of the CEDS development process.

It is the intention of RC&D to distribute the CEDS to the Mat-Su Borough Assembly, the cities of Palmer, Houston and Wasilla, and to each community council. In order for the CEDS to be accepted as representative of the intent of the region, many voices must be included. This is also considered to be a work in progress with revisions made on a regular basis to reflect changes in the borough and accomplishment of the objectives.



**1998 Valley Economic Development Conference**  
October 28, 1998, Best Western Lake Lucille, Wasilla

There were over 100 participants in this event. Following the three panels, break out sessions were held for input from the audience and a list of prioritized projects were identified using a Strengths, Weakness, Opportunities and Threat (SWOT) analysis.

Master of Ceremonies: Ted Smith, President, Mat-Su RC&D Council  
Introduction: Debbie Sedwick, Commissioner, Alaska Department Of Commerce & Economic Development  
Key Note Speaker: Ron Duncan, President, GCI

Transportation Panel

Moderator: Marcy Martin, Planning Director, Mat-Su Borough  
Jenni Kuentzel            Anchorage International Airport Planner  
John Horn                Regional Director, Alaska Department Of Transportation  
Don Dietz                Executive Director, Port of Anchorage  
Alan Christopherson   Vice President, Peratrovich, Nottingham & Drage  
Jim Kubitz                Planner, Alaska Railroad Corporation

Natural Resources Panel

Moderator: Kay Slack, President, KS & Associates  
Judy Brady                Executive Director, Alaska Oil & Gas Association,  
Bob Jensen               Regional Manager, Enstar  
Mathew Nicolai           President, Calista Corporation  
Jack Phelps               Executive Director, Alaska Forest Association  
Jamie Kenworthy        Executive Director, Alaska Science & Technology Foundation

Tourism Panel

Moderator: Bruce Borup, Executive Director, Palmer Economic Development Authority  
Bill Elander               President, Anchorage Visitor's & Convention Bureau  
Kyle Randich             Vice President, Hatcher Pass Development Corporation  
Randy Phillips            President, Phillips Cruises  
Rick Feller                Project Manager, Cook Inlet Region Inc.  
Tim Borgstrom            Anchorage Economic Development Corporation

## **1999 Valley Economic Development Conference**

October 21<sup>st</sup>, 1999, Legends at Settler's Bay

Opening welcome - Bruce Borup, President, Mat-Su RC&D

Keynote Speaker: Ernie Brannon, Denali Commission

### Transportation Panel

Moderator: Mike Scott, Mat-Su Borough Manager

M. Murph O'Brien Mat-Su Area Planner, DOT/PF

Bruce Carr Alaska Railroad Corporation

Capt. Bob Pawlowski Port Advisor, Mat-Su Borough

### Tourism Panel

Moderator: Jim Turner, Hatcher Pass Gateway Center

Peggy McNees Alaska Visitors Association

Stephen Mahay President-Elect, MSCVB

Jill Reese Reese Investments

Carolyn Bettes-Saunders AVI-Rural Tourism Center

### Natural Resources Panel

Moderator: Rhoda Portis, RC&D Coordinator, Mat-Su RC&D

Bob Jensen Manager, Branch Operations, Enstar

Marty Rutherford Deputy Commissioner, DNR

Tadd Owens Resource Development Council

### **C. Economic Sector Workgroups**

As a supplement to the public process provided through the conferences and the diverse leadership of the Mat-Su RC&D Council, the Council is implementing Economic Sector Workgroups, primarily aimed at professionals and community leaders. The Economic Sector Workgroups will meet at least annually to discuss the CEDS and the CEDS process, and to provide guidance into it's development and implementation. These groups will be led and coordinated by Anna Von Reitz, Chair of the Business and Industry Committee. Group responsibilities and membership will overlap, and flexibility will be given to group leaders.

#### Transportation Group

Group Leader: Bruce Carr, Alaska Railroad Corporation

Responsibilities: Issues and projects involving transportation (by air, land, or water) of passengers and freight.

#### Utilities Group

Group Leader: Wayne Carmony, MEA

Responsibilities: Issues and projects relating to utilities infrastructure as it relates to economic development.

#### Tourism and Recreation Group

Group Leader: Ed Brittingham, Greater Wasilla Chamber

Responsibilities: Issues and projects related to the visitor industry and supporting services.

#### Natural Resources Group

Group Leader: Ted Smith, Willow Chamber

Responsibilities: Issues and projects related to mining, timber, agriculture, aquaculture, and similar resource based endeavors leading to economic development.

#### Education/Workforce Development

Group Leader: Bruce Borup, Palmer EDA

Responsibilities: Issues and projects aimed at increasing education and training opportunities for the Mat-Su workforce, in order to increase the local capacity to support and participate in economic development.

#### Capital Development Group

Group Leader: Jim Sonye

Responsibilities: Issues and projects aimed at finding and accessing funding for economic development projects. Also responsible for working out cooperative agreements with representatives of government agencies and the banking industry.

Environmental Group                      Group Leader: to be determined  
Responsibilities: Issues and projects related to the environmental impacts of development, working with several levels of government agencies and environmental groups to resolve problems.

Native Sector Group                      Group Leader: to be determined  
Responsibilities: Issues and projects related to cultural heritage. Also responsible for coordinating economic development undertaken by tribal governments or entities.

Housing and Residential Care                      Group Leader: to be determined  
Responsibilities: Issues and projects related to providing housing and residential care services.

Professional Services Group                      Group Leader: to be determined  
Responsibilities: Issues and projects related to health care, health service delivery, public safety, mental health, etc.

Cultural Development Group                      Group Leader: to be determined  
Responsibilities: Issues and projects related to cultural heritage, historic preservation, the arts, sports and recreational facilities, and other issues directed at residents and quality of life issues.

### **Comprehensive Economic Development Plan - Survey Responses**

Each city and community council in the Mat-Su Borough was sent a survey requesting their input into the formation of the CEDS. Following is a summary of the responses received during the initial development of the CEDS. The borough wide priorities which were identified are included in the plan, and local issues will be addressed as resources and opportunities permit.

As a part of the ongoing CEDS process, each city and community council will be surveyed annually to supplement their involvement in the process.

#### **City of Houston**

Name: Mayor Kim Kasper

1. Historic Willow Creek Sled Trail - provide recreation area for snowmachines and equestrian trails.
2. Little Susitna River fish viewing - benefits tourists as well as local businesses.
3. Youth Center - development of youth center for youth in Houston, Big Lake and Willow areas.
4. Maximum Security Prison - potential for creating jobs.
5. Castle Park enhancement - develop the park for recreational use.
6. We encourage the continuation of Borough land disposal for a tax base.

### **City of Palmer**

Name: Mayor Henry Guinotte

1. Continued orderly growth of Palmer recognizing that zoning adds to the quality of life. This will allow for retail business, industrial use of land, housing without conflict.
2. With the increasing population we can support (and need) more retail business to better serve the people here. Retail business creates jobs.
3. We need the development, upgrade, improvement of roads. Many of our roads we built to handle a population of less than 20,000 people.
4. We need the continued growth of community services which include more schools, additional police, fire protection, sewer and water capacity, etc.
5. Perhaps tourism can continue to grow. We “sell” the natural beauty of the area.

Palmer is improving the utility systems and police. We are looking ahead to handle the increasing population. We are keeping our zoning in place. We have the new Business Park gradually filling in. The golf course and airport are becoming a strong economic addition the immediate area.

### **South Lakes Community Council**

Name: Priscilla Olson – Pres.

Phone Number: (907) 376-4545

1. Road improvements – subdivisions and upgrade to Palmer/Wasilla Highway.
  2. Recreation opportunities – translates into jobs.
  3. Water quality – both water table and pollution control.
  4. Tourism and beautification.
  5. Planned communities – encourages growth, light industrial and commercial.
- Recent survey also indicates area is concerned about dust problem – ie: gravel pits need reclamation – green belts and parks.

### **Pt. MacKenzie Community Council**

Name: Roy Syren, Jr. Pres.

Phone Number: (907) 349-2107

1. Port MacKenzie and associated infrastructures ie: railroads, power, gas.
2. Road improvement funding.
3. Prison construction.
4. Land disposals.

### **Skwentna Community Council**

Name: Joseph Delia

Phone Number: (907) 733-2814

1. Development of tourism for areas outside of railbelt.
2. The bulk of residents are not involved in tourism and want recognition of importance of fur trapping and subsistence hunting and fishing for areas outside

the road system where jobs are scarce.

### **South Knik River Community Council**

1. A pull-out for viewing the Knik Glacier, near mile 6.9 of Knik River Road. This is the only Knik Glacier viewing location which is accessible to the general public. This location is located on a hill and a curve in the road and often tourists park in the middle of Knik River Road causing a dangerous traffic hazard. This pullout would/could be built in the Knik River Road right-of-way, which is state owned.
2. The Knik Glacier Visitors Center project continues to be in the future. This project would probably be developed and funded by some private enterprise, if and when that ever occurs.

### **City of Wasilla**

Name: Sarah Palin, Mayor

Phone Number: (907) 373-9055

1. Airport improvements: paving, fencing, runway extension, float plane capabilities and GPS approach.
2. Water and wastewater infrastructure; including mainline extensions.
3. Winter recreation improvements including building infrastructure that promotes the Iditarod, Jr. Iditarod, and Iron Dog Race, development of trails and trail heads.
4. Industrial park development in order to attract air/rail cargo opportunities.
5. Development of Iditapark and Bumpus Ballfields.

### **Meadow Lakes Community Council**

Name: John Stoltze, President

Phone Number:

1. Civic Center/Library
2. School Construction (In addition to already planned elementary)
3. Disposals, Agricultural Lands, Wood Lots & Industrial Sites
4. Trails
5. Visitor Accommodations & Information

### **Greater Palmer Chamber of Commerce**

Name: Dee Prickett

Phone Number: 745-2880

1. Hatcher Pass ski area development and Independence Mine rehabilitation.
2. Wishbone Hill coal reserves development and mining.
3. Port at Point Mackenzie development.
4. State juvenile detention facility completion.
5. Increased tourism that will tie in with the ski resort, Independence mine and other developments.

As you look at this, you might also look at the businesses that no one wants nearby (incinerators, etc) and suggest areas that type business could be located. Even though unpopular they do increase our economy and are necessary.

### **Talkeetna Community Council**

Name: Joe Page

Phone Number: 733-1060

Denali Arts Councils' "Sheldon Hangar" Renovation – Community and Arts Center.

This project will preserve the original Sheldon airplane hangar and support the developing visitor industry in Talkeetna.

### **Knik Tribal Council**

1. A 20,000 square foot office building which will house various tribal programs, as well as office space for Knikatu, Corporation. This building will contain sufficient space for expansion of existing tribal programs and will allow Knik Tribal Council to address new areas of concern and delivery of new programs and services.
2. Chief Wasilla Native Cultural Activity Center. This will be a 10,000 square foot single story structure located on tribal land across from the Iditarod Headquarters site. This building will also house a tribal arts and crafts retail outlet.
3. A Tribal Printshop and graphic arts business. This will be located at Knik and will provide production of Native Culture curricula; books on Native history, culture, art, and biographies; and contemporary Native posters, tee shirts, hats, etc.
4. A small boat harbor at Knik. An engineering study is currently underway.
5. A sawmill project which will be used on spruce stands located on tribal lands
6. A Laundromat and convenience store
7. A boat building factory to manufacture aluminum skiffs, rowboats, and canoes

## **Overview of the Area**

### **Background**

The Mat-Su Borough is quite large and diverse, offering contradictions to any generalization. Indeed many have noted the differing characters of the communities within the Borough. A drive of 20 miles can take the observer from a remote outpost, with no electricity or running water, populated by noted opponents of any governmental initiative, to upscale housing developments surrounding a private landing strip. Various theories contend that those fleeing the restrictions of the "lower 48" first came to Anchorage, but as that city expanded, they fled to the Mat-Su Borough. Colorful examples of conflicts over the premise of land use planning, zoning, and other regulations take up much time at the local assemblies and in the newspapers.

Palmer, the Borough's seat of government, was established as a "New Deal" Colony in 1935 with the transplant of 200 families from the Midwest. The entire community was planned making Palmer a notable exception as an Alaskan community.

The Mat-Su boasts many pioneers as well. Numerous families cleared their own land and established homesteads. Often, along road frontage, those homestead sites became residential developments. The population has tripled in less than twenty years and each successive wave of immigration has altered the landscape. The opening of the George

Parks Highway in 1971 linked Fairbanks to Anchorage through Wasilla. This permitted easy access to the job markets of Anchorage and, from the mid-1970s, the North Slope oil fields. The “pipeline boom” was more acutely felt in the Mat-Su with a doubling of the population in the early 1980s. During this time the Mat-Su was growing at over twice the rate of Anchorage.

The “oil bust” also disproportionately affected the Borough’s residents. By 1990, at the bottom of the recession, assessed valuations plummeted by half and newly built houses and commercial developments remained empty for years after foreclosure. Both business failures and personal bankruptcies were at record levels. Unemployment rates in the Mat-Su were more than 18%. The Exxon Valdez oil spill clean up efforts provided an injection of temporary employment felt throughout the state. Since then the Mat-Su has experienced a steadier, slower growth based more on commuters and the service and retail boom. Glenn Highway improvements, with the extension of four lanes to the Parks Highway, have made commuting faster and safer. Further improvements along the Parks Highway continue this trend. A national discount chain, Wal-Mart, arrived in Wasilla and the real estate market returned to a pattern of growth. Fred Meyer opened a large retail store in Wasilla in 1999, and drew record-setting crowds.



### **The Communities**

The oldest and second largest incorporated city in the Mat-Su Valley is Palmer, Alaska, with just over 4,100 residents in 1999. Palmer started as a New Deal colony during the depths of the Great Depression. Farm families from the stricken Midwest farm belt were brought to Alaska and settled here in the fertile Matanuska River flood plain. From the first, Palmer was a planned community with properly surveyed street grids and public facilities including a rail spur. Today, the Palmer historic district is on the National Register of Historic Places and is undergoing rapid renovation and growth. Palmer remains the administrative hub of the Mat-Su Valley, with most main government and utility offices located there. Each year, Palmer hosts the Alaska State Fair. Over a hundred thousand visitors come to enjoy one of the traditions of Palmer's agricultural beginnings.

Wasilla is the largest incorporated city in the Mat-Su Valley with a population of 5,213 in 1999. Beginning as a station of the Alaska Railroad in 1916, Wasilla is expanding at an explosive rate. The presence of large national retail companies, lumber yards, medical services, food and storage facilities, shopping malls, real estate and financial service centers, and dozens of small specialty businesses, make Wasilla the commercial hub of the Mat-Su Valley. All the major utilities and many government offices have opened branch offices in Wasilla, and it is also the site of the new JOB Center mandated by the Work Force Incentive Act. Pro-business policies of the City of Wasilla are likely to fuel growth for years to come.

Together, the combined cities of Palmer and Wasilla and the eleven miles of relatively populated and developed land connecting the two, make up the "Core Area" of the Mat-Su Valley. This Core Area is destined to expand northward from Wasilla to the present North Valley communities, and from Palmer to Sutton and the vast untrammelled areas beyond.

The fastest growing residential area in the Mat-Su Valley is in Meadow Lakes, just north of Wasilla. From 1990 to 1999 the population of this unincorporated community grew from 2,374 to 5,232. Its proximity to Wasilla and its large number of planned subdivisions makes Meadow Lakes less rural in character than the smaller communities just a few miles further north.

The scattered small, unincorporated communities of the rural North Valley form an enclave of their own. Houston (pop. 826), Talkeetna (pop. 323) and Chase (pop. 55) were all stations on the Alaska Railroad circa 1916, similar to Wasilla. Willow, with a present population of 507, was founded in 1897 during the Gold Rush. Big Lake, population 2,162, started as a resort area during pioneer days, but wasn't officially named and recognized as a community until 1956. The villages of Knik (pop. 483) and Alexander (pop. 39) are near the locations of two native villages recorded in 1897. The present village of Knik is at the site of a trading post called "Palmer's Store" that was established circa 1903 on the original postal route. Trapper Creek (pop. 344) developed as a trading

post and was recognized in 1954. Skwentna (pop. 72) started as a postal station in the early 1900's. Population figures reflect census districts, not necessarily community boundaries.

Today these communities are similar in being relatively undeveloped and recreation oriented. Hundreds of vacation homes and cabins populate the many lakes of the North Valley. A 1996 national level fire disaster burned 37,000 acres and over 350 homes near Big Lake and Houston. The area is continuing to grow and to recover its draw as a resort haven. Talkeetna serves as the jumping off point for many mountain climbing expeditions in the Alaska Range and has a very active summer flight-seeing business for visitors wishing to get a close up view of Denali. Trapper Creek has a gas station and general store and several lodge operations on the Parks Highway. Willow has a share of visitor trade, primarily for sport fishing, hunting, and snowmachining, and offers many basic services.

On the other side of the Mat-Su Valley, the old railroad and mining communities of Sutton (pop. 470) and Chickaloon (pop. 212) stand in the gateway of the vast undeveloped bulk of the Mat-Su Valley. For a hundred miles the Glenn Highway traces through mountain passes and wilderness that is virtually uninterrupted by human habitation. Several spectacular campgrounds and recreation areas have been developed north of Chickaloon, and Chickaloon itself has become a popular place for boating, rafting, and fly-fishing.

Lazy Mountain (pop. 1,109) and Butte (pop. 2,699) are both relatively new communities, recognized in 1951 and 1958 respectively, during surveys by the United States Geological Survey. Both communities neighbor Palmer and many of their residents work in Palmer. Both communities are rural, and many entrepreneurs have small businesses (tree farms, nurseries, equipment repair, sawmills, truck farms, etc.) in these two areas.

The Mat-Su Borough contains eleven other recognized community entities too small to have been separately named in the most recent state population surveys. The vast majority of the remaining residents of the Mat-Su Borough, an estimated 31,000 people, live outside the boundaries of any recognized community. This does not necessarily mean they are living in remote inaccessible places; most of these residents are living along the margins of the road system. In fact, it is estimated that nine out of ten Mat-Su residents live along the road system between Willow and Sutton, and only 18% live in the incorporated cities of Palmer, Wasilla, and Houston.

### **The Land and Climate**

Geography and climate have both been kind to the Mat-Su Valley. With one edge of the Valley open to the sea, and the remaining margins connecting to the interior and western regions of Alaska, the Mat-Su Valley is a natural gateway to the rest of the state. The eventual opening of a seaport at Point MacKenzie will enable the Mat-Su to develop this geographically central location into an economic asset. This location is also fortuitous

because of its proximity to the Pacific Rim. Alaskan products can be shipped worldwide via the Mat-Su Valley.

A relatively mild four-season climate comparable to the mid-western states makes the Mat-Su Valley a pleasant place to live and work. The safe frost-free date is May 30, with an annual rainfall of about 35 inches, and an average growing season of 108 days. Technically classified as an arctic desert, the climate offers low humidity, moderate temperatures, and long daylight hours in the summer. The annual shift in seasonal daylight hours is less severe in the Mat-Su Valley than in the northern regions of Alaska.

The landscape of the Mat-Su Valley has been sculpted by glacial activity. Huge gravel deposits and deposits of rounded stones are typical of glacial moraine and the Mat-Su Valley is no exception. Stratified mounds of sand and gravel built up a hundred feet or more above sea level, are common, as are the pothole lakes that are characteristic features of glacial landscapes.

Several major rivers, including the Matanuska River and the Susitna River for which the valley was named, run through the Mat-Su Valley. Innumerable lakes, both large and small, dominate the landscape. This abundant surface water offers tremendous recreational opportunities, hydroelectric power, and wildlife habitat. Protecting the surface water from agricultural, industrial and residential wastewater pollution has become a major concern throughout much of the Valley. Deep aquifers running from the base of the Chugach Mountains guarantee abundant clean water for many generations to come. Key to development, Mat-Su Valley water resources are of excellent quality and quantity.

Air pollution is not an current concern, but could become an issue in decades to come, depending upon the development of fuel resources and the speed with which value-added industry develops in this part of Alaska. To date, air quality throughout the Mat-Su Valley is excellent. Encouraging the development and use of clean and efficient fuel sources is one of the goals we anticipate in our development strategy.

Soil quality and type vary throughout the Matanuska-Susitna basin, with some areas offering large acreages of arable topsoils capable of sustaining annual cultivation. The more typical scenario is thin gravelly soil characterized as Knik silt loam, which is more suitable for pastures, tree farming or non-agricultural commercial development.

Much of the Valley's 24,683 square miles is covered by natural mixed birch and spruce forests interspersed with large tracts of muskeg. Several thousand acres of cultivated agricultural land and pasturage provide the basis of the Mat-Su Valley's reputation as "Alaska's Breadbasket". The premier wildlife species are black and brown bear and moose, while waterfowl dominate the bird species indigenous to the area. All five known varieties of loon have summer nesting grounds in this part of Alaska.

### **Local Government**

The Mat-Su Valley includes a land area roughly equal in size to West Virginia, with an estimated population of 55,694 as of 1999. Only three of the communities in the Mat-Su Valley are incorporated as cities, and those three, Palmer, Wasilla, and Houston, represent 18% of the population. Most of the population lives in the core area and in small, unincorporated communities represented by twenty-three Community Councils.

The Matanuska-Susitna Borough Assembly represents the Mat-Su Valley as a whole. The elected Borough Mayor and an appointed Borough Manager serve as the chief administrative officers. Seven Borough Assembly Representatives are elected to oversee area wide services. The Borough government is somewhat similar to County level government units in other states, though it serves a larger geographic area. The Borough assesses and collects property taxes, funds the schools, administers planning and zoning, develops and maintains Borough recreation and historical sites, local roads, ambulance and fire services, and other basic functions of local government.

### **Present Growth and Patterns**

At present the entire Mat-Su Valley is continuing to experience rapid population growth, as it has throughout the 1990's, a decade that saw the population of the Valley increase by 40%. Nearly 7,000 new households were established in the Valley between 1990 and 1999. The percentage of the Southcentral Alaska's population that lives in the Valley is also increasing. The Alaska Department of Labor Research and Analysis Section estimates that nearly 26% of the Southcentral Alaska's population will live in the Valley by 2018. If growth continues at its present rate, the population of the Mat-Su Valley will double in the next 20 years, bringing the population to over 100,000.

A large number of Valley residents commute 50-60 miles to work in Anchorage, the state's largest city. The number of commuters is growing each year, up from 28% of Mat-Su residents in 1990 to 38% in 1998. As an interactive reversal of the commuter phenomenon, many Anchorage businesses are either moving to the Valley or establishing Valley franchises or branch offices. Substantial investments are being made in roads and in expanded rail services to serve the needs of the ever-increasing population. Improved roads and transportation services serve to encourage still more commuter activity.

A significant number of Mat- Su Valley residents are long distance commuters who travel hundreds of miles to reach employment in the oil fields of the North Slope, the fisheries of Bristol Bay, and construction sites throughout the state.

Much of the population growth can be explained by the interplay of geography and economy. South Central Alaska's only major city, Anchorage, is located in a "bowl" surrounded by mountains and tidal zones. The amount of developable land is severely limited, and as a result, the cost of land and the regulatory restrictions on land purchases in Anchorage increase each year. As Anchorage continues to grow, its population

overflows north to the Mat-Su Valley, where open land and comparatively inexpensive housing beckons.

While the commuters work and earn money in other areas of the state, they spend and invest much of their money at home in the Mat-Su Valley, which provides a further spur to growth in the retail, service, and real estate sectors of the economy. Two large national retail companies, Wal Mart and Fred Meyer, have already established locations and more growth of this kind is anticipated.

Many of the same basic considerations apply to any business locating in the Mat-Su Valley. Large amounts of land, lower taxes, a strong work force, a growing consumer market, lower rental rates and a host of other advantages make the Valley a desirable place to locate commercial ventures of all kinds.

## **Land Issues**

Alaska's future is determined, in large part, by who controls the land and natural resources that form the basis of the economy. It is government land management that dictates much of Alaska's development. In 1959, 99.8% of all Alaska's land was in the possession of the federal government. With passage of the Alaska Statehood Act, Alaska National Interest Lands Conservation Act (ANILCA, 1980) and the Alaska Native Claims Settlement Act (ANCSA, 1971), the federal portion dropped to 59%. The state controlled 28%, Native Corporations owned 12% and only the remaining 1% was privately owned.

### **Alaska Statehood Act**

On January 3, 1959, after 14 years of lobbying, Alaska became the 49<sup>th</sup> U.S. state, thus providing an alternative to the Homestead Act for obtaining land from the Federal Public Domain. The Statehood Act granted the State of Alaska 103.5 million acres. Subsequent conveyances have increased that total to over 106 million acres, which is about the size of California. Additional federal land grants include trust lands of 175,000 acres for public schools, 100,000 acres for the University of Alaska and 1,000,000 acres for mental health programs.

### **Alaska National Interest Lands Conservation Act (ANILCA, 1980)**

Congress, under the Alaska National Interest Lands Conservation Act, have designated over 104 million acres as conservation units and, as such, are closed to most development. Those lands were designated as new National Parks, Fish & Wildlife Refuges, National Forests, Wild & Scenic Rivers, and Conservation Areas. This is nearly equivalent to an area the size of Japan which is severely restricted for any potential private development.

### **Alaska Native Claims Settlement Act (ANCSA, 1971)**

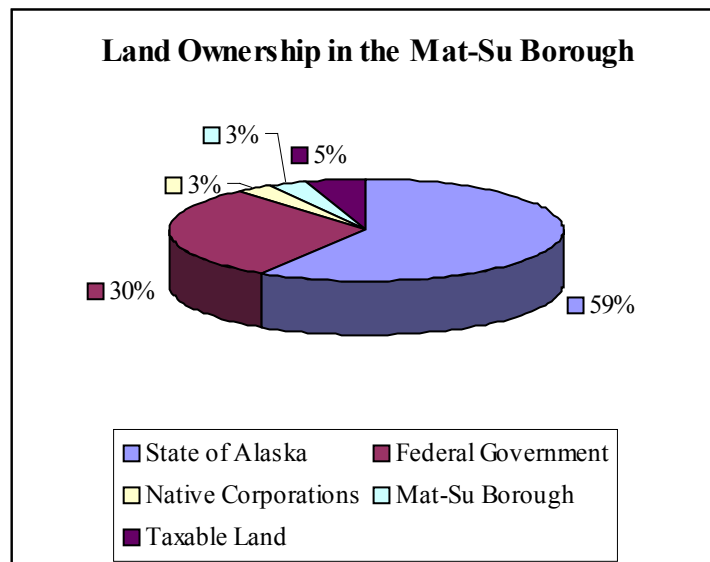
After the State began land selections, the indigenous peoples of Alaska sued to protect their legal access to traditional lands and to maintain their subsistence lifestyles. US

Secretary of the Interior, Steward Udall, stopped State selections until the native claims could be settled by Congress. This froze development associated with the Trans-Alaska Oil Pipeline project which proved a strong financial incentive to settle. On December 18, 1971, ANCSA was passed which established 13 regional corporations. The settlement included 44 million acres and \$962 million. Native regional corporations own the subsurface rights and they will be increasingly important players in the development of Alaska.

*It is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with public interest.*  
Alaska Constitution, Article VIII, Section I

### Mat-Su Borough Land Ownership

Land ownership in the Mat-Su Valley remains a potentially explosive issue, as the bulk of the land is owned by governmental entities. As of the most recent (1998) Land Audit of the Matanuska-Susitna Borough, the state government remains the largest landowner, with 9,455,031 acres. State land accounts of 59% of all land in the Borough. The federal government is the second largest landowner (4,932,031 acres). The regional Native Corporations (477,957 acres) and the Mat-Su Borough (299,400 acres) are also large tax exempt landowners.



These huge tax-exempt holdings severely limit the tax base and development capability of the Mat-Su Valley. An estimated 95% of all land in the Mat-Su Valley is non-taxable. Efforts are underway to ease this situation by various means of transfer to the private sector. The Mat-Su Borough is currently leading the way with the creation of its own "Land and Resource Asset Management Plan". One of the goals of the planning process

is to identify land that can be released from Borough holdings without sacrificing valid public interests. Long term leasing is also becoming more prevalent in some sectors. Though not a satisfactory permanent answer to the tax base dilemma, leasing has proven to be an effective approach in some situations.

Regardless of the progress made toward privatization of more land in the Mat-Su Borough, it is apparent that government is and will remain a key part of any major development activity for years to come. Establishing efficient means of working with government entities and routing through public oversight processes will be essential to economic development success.

## **Environmental Issues**

At present there is no significant industrial development in the Mat-Su to spark concerns over environmental degradation. There is no large scale logging, mining or oil and gas extraction. Gravel pit operations and a racetrack facility near a residential area concern residents but those problems are best handled by zoning. A major objective in this CEDS involves the proposal to build Port MacKenzie. There are 5,000 acres dedicated to industrial development at that location. This will serve to provide a site for needed but noxious type industrial or commercial uses such as medical waste incinerators or bulk fuel storage. Centralized location of industrial areas will decrease pollution concerns due to increased control and planning. Development of such a site will also decrease land use conflicts and incompatible uses which proliferate without proper planning and site designation.

Any potential development must observe established guidelines for addressing environmental issues. The borough works with the relevant state and federal agencies where appropriate in the development of the following:

- ◆ **Environmental Impact Analysis/Statement:** A major project will typically be required to submit an EIA or an EIS.
- ◆ **Wetlands Management:** Land management practices are provided for in the Susitna Area Plan and the Willow Sub-basin Plan for protection of habitat, water quality and recreational purposes.
- ◆ **Costal Zone Management Program:** Development within the coastal zone management area requires a permitting process and must occur in an environmentally sound fashion.
- ◆ **River and Stream Corridors:** Minimum setbacks have been adopted and are enforced by the borough.

- ◆ **Flood Plains:** Proposed land development projects are reviewed by the borough to determine suitability with the 100 year flood plain zone maps provided by the Federal Emergency Management Agency.
- ◆ **Hazardous Waste:** The borough is responsible for prohibiting the disposal of hazardous waste in the borough landfills. To encourage compliance, the borough sponsors an annual hazardous waste collection day to collect and properly dispose of the waste.
- ◆ **Groundwater Protection:** The borough has a program to monitor and protect groundwater and public wells.

### **Sensitive Populations**

The decline of the Cook Inlet Beluga Whale population is a primary environmental concern in the area. The Beluga Whale population is at a historically low level due to over harvesting by Native hunters. The National Marine Fisheries Service (NMFS) recently decided to list the Cook Inlet Beluga as depleted under the Marine Mammal Protection Act. This designation allows NMFS control over Native harvest levels, thereby allowing the Beluga population to recover. NMFS did also consider a listing for the Beluga as endangered under the Endangered Species Act, but was unable to uncover any link between habitat degradation or industrial activity and the population decline. Such a listing would severely curtail development around Cook Inlet, including the Mat-Su, and as such the issue will be monitored.

### **Recycling**

Recent efforts by the nonprofit group Valley Community for Recycling Solutions (VCRS) have allowed for limited recycling in the Mat-Su. With the assistance of many volunteers and supporting organizations VCRS has held quarterly recycling days which have become very popular with Mat-Su residents. With the assistance of the RC&D, the group is currently conducting a community survey to research interest in a permanent recycling facility in the Mat-Su. The survey will determine the ideal location for a facility, types of recycling which might be available, and community interest in fee-based recycling programs. A recent survey conducted by the Mat-Su Borough indicated that 77% of residents supported increased local recycling programs.

Establishment of a permanent recycling center will not only increase jobs and conserve resources, but it will decrease the burden on solid waste facilities in the Mat-Su which have been experiencing severe capacity and licensing problems.

## **Economy & Employment**

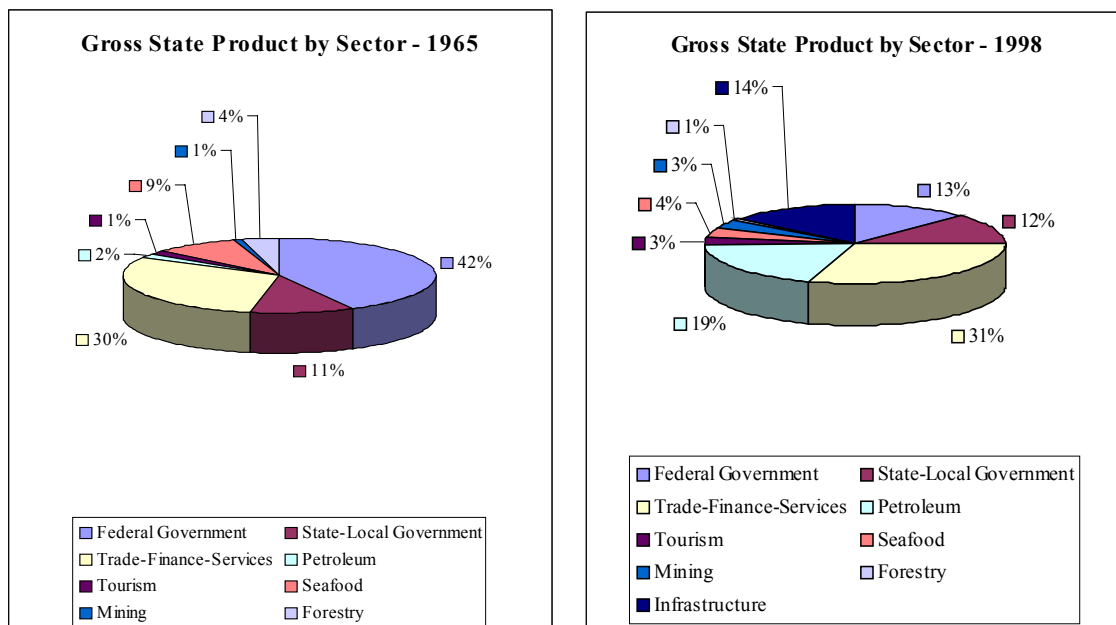
The second largest of Alaska's organized boroughs, the Matanuska-Susitna Borough has an area of more than 23,000 square miles, which amounts to approximately 6 percent of the State's total area, or about the size of West Virginia. One outstanding physical feature



is the nearby presence of mountains. Portions of the Chugach, Talkeetna and Alaska mountain ranges are located in the Mat-Su and are always, weather permitting, visible. While most of the Borough is very rural, the majority of its 55,000+ population reside in the “core-area” surrounding the two largest cities of Wasilla and Palmer. The Mat-Su is often characterized as a “bedroom” community and that is reflected in the daily vehicle count of almost 20,000 on the Glenn Highway between the Mat-Su and Anchorage. Many of these are commuters who travel the 42 miles into Anchorage daily for work. The unemployment rate has dropped to the 10 - 12% range, but is consistently double that of Anchorage. Without economic development this is likely to remain the pattern for the future as well. At present there is no substantial industrial base to provide employment or taxes for the local governments.

### State of Alaska

The Gross State Product (GSP) of Alaska has grown from \$1 billion in 1963 to over \$22 billion in 1998. The GSP peaked in 1996 at \$26 billion and is currently in decline (declines of \$500 million in 1997 and \$3.5 billion in 1998). While the federal government, and in particular military spending, was the most important sector in 1963, North Slope oil has been predominant since 1977. Petroleum production provided 19.4% of the GSP in 1998, a large recent decline due to lower prices and declining production. Non-petroleum resource industries including commercial fishing, logging, mining and tourism, accounted for 11.5% of the GSP but provided for a greater portion of the total employment. Alaska’s economy is dominated by resource industries that experience dramatic price fluctuations and the Mat-Su economy is an amplification of those highs and lows.



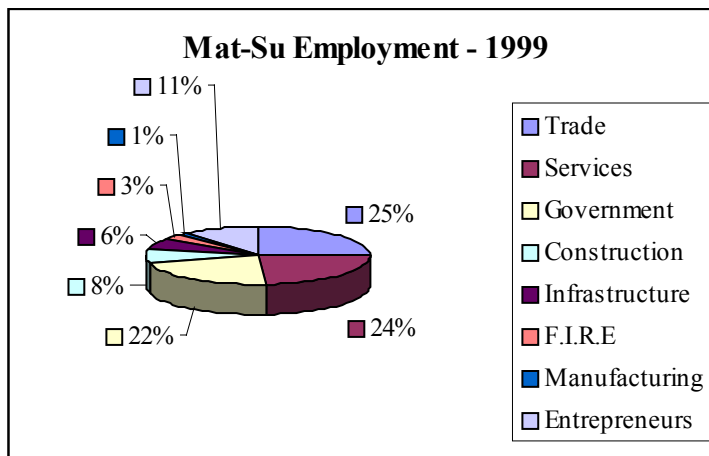
### Mat-Su

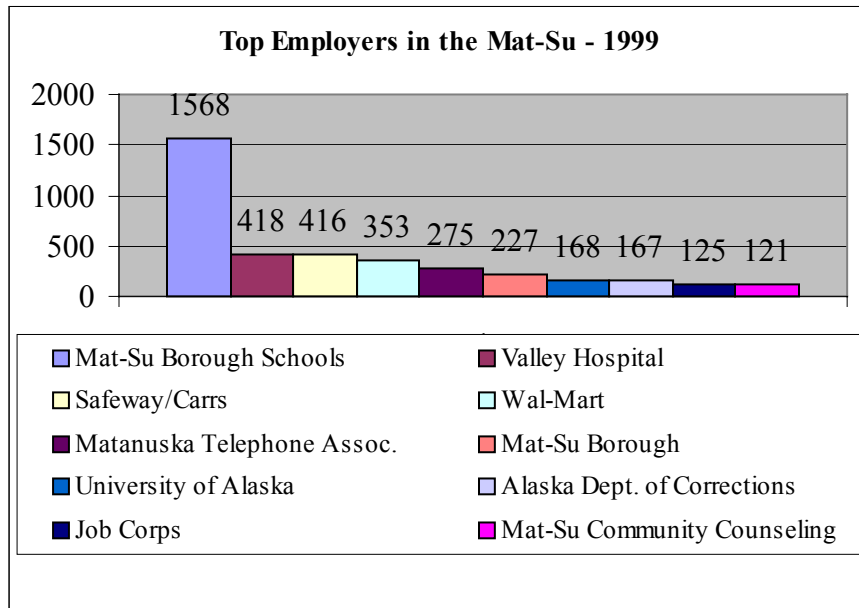
As a significant portion of employment growth is made possible by population growth, it is not surprising that expansion of the retail and service sectors dominate the job market. It also follows that total average yearly earnings have dropped in recent years, reflecting

the influx of a large number of lower wage service and retail jobs. The growth in resident jobs and in local retail and service providers means that an ever-increasing percentage of money stays in the Mat-Su economy instead of being spent in Anchorage, Seattle, or via mail order to other parts of the country.

Also, even though average yearly per capita income is dropping, the service and retail jobs tend to be steady, year round jobs. This is a reversal of Alaska's traditionally seasonal employment pattern, and it forms the basis for mortgages and for residential and commercial construction gains throughout the Mat-Su Borough. Residential Construction Permits went from 650 in 1997 to 1,038 in 1998 and 950 in 1999.

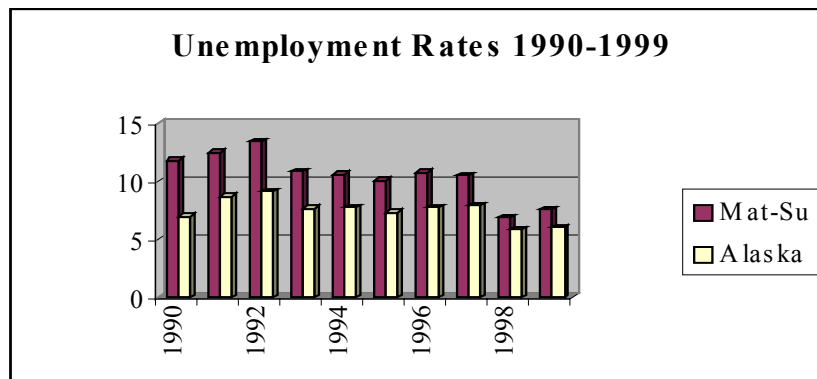
In 1999, for the first time ever, service and trade sector employment outpaced government employment in the Mat-Su Valley. The service sector employed 24% of the working population, while the trades employed 25%. All branches of government combined employed 22%.





Employment from any kind of manufacturing sector remained at 1% (one percent) of total employment during 1999. The Mat-Su Valley has virtually no value-added industry, a circumstance that remains one of the most serious economic development challenges.

In 1998, unemployment hit an all time low of 6.9%, but was still higher than State unemployment levels.



### **Employment Impacts**

The most serious upheaval in the local job market in recent years involves the transitioning that is occurring throughout the telecommunications industry. Technological development worldwide is forcing many smaller companies, including the Mat-Su Valley's fifth largest employer, Mat-Su Telephone Association (MTA), to make major changes. The future is uncertain for the 275 employees MTA supported in 1999. Bids from larger companies to buy MTA's assets are being considered and the whole trend of the industry indicates both radical new developments and equally radical downsizing of traditional telephone service activities.

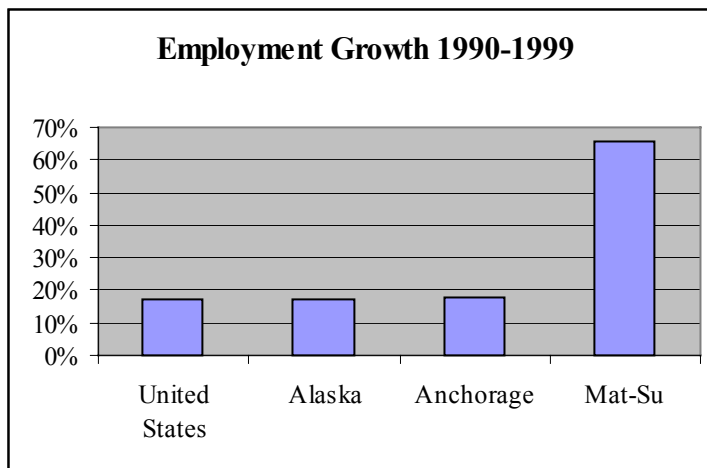
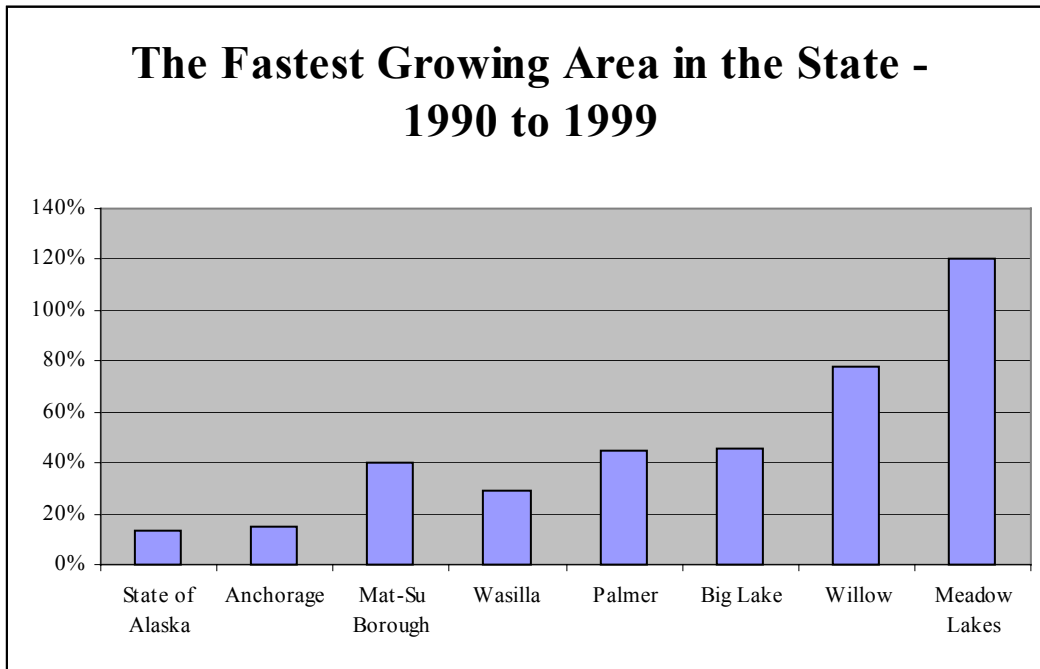
The ninth largest employer, Job Corps, is phasing out of existence in the wake of the enactment of the Work Force Incentive Act (WIFA). Along with the rest of the nation, Mat-Su Valley is struggling to implement an entirely new concept in publicly organized and supported work force development services. It is the largest single restructuring of government programming since Lyndon Johnson's "Great America" initiatives, and the largest overall domestic restructuring since the New Deal. Under WIFA, a host of traditional employment services from assisted child care to resume writing, from job listings to skill training, and from Vocational Rehabilitation to Veteran's Services, will all be brought together under one roof.

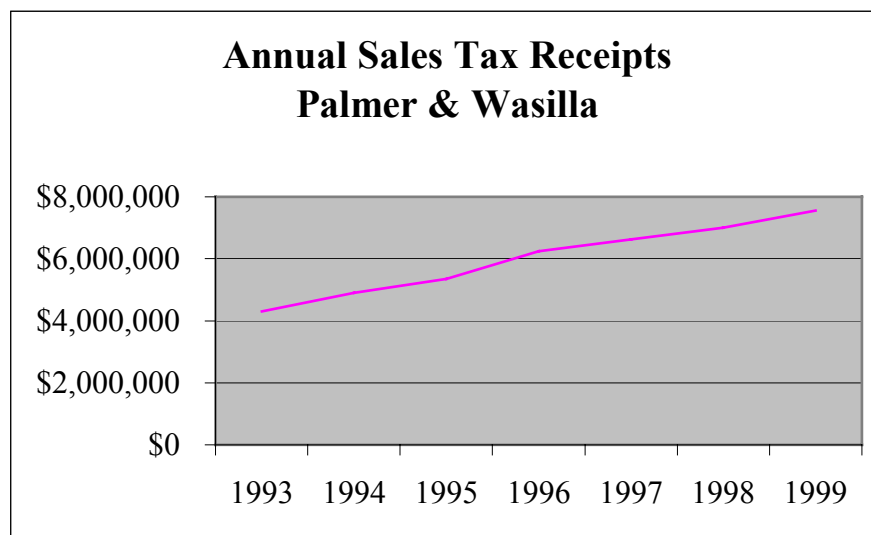
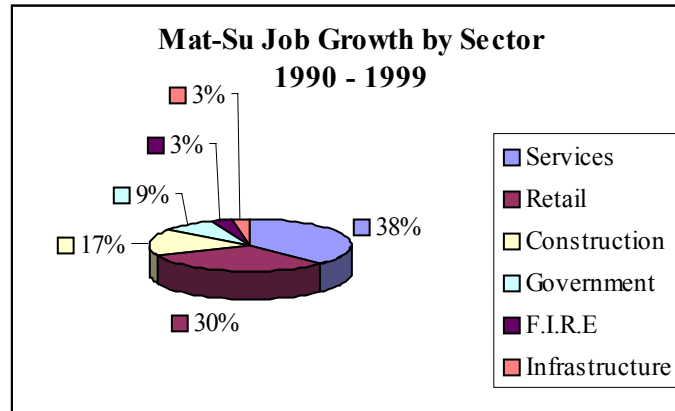
The State of Alaska is receiving federal funding to operate "One Stop Career Centers" handling all these functions. The Mat-Su Valley work force is already closely connected to the Anchorage work force via commuters and training networks, so that the two have been combined in one WIFA service area known as the "Anchorage-Mat-Su Consortium". A single JOB Career Center has been opened in Wasilla and has begun operation.

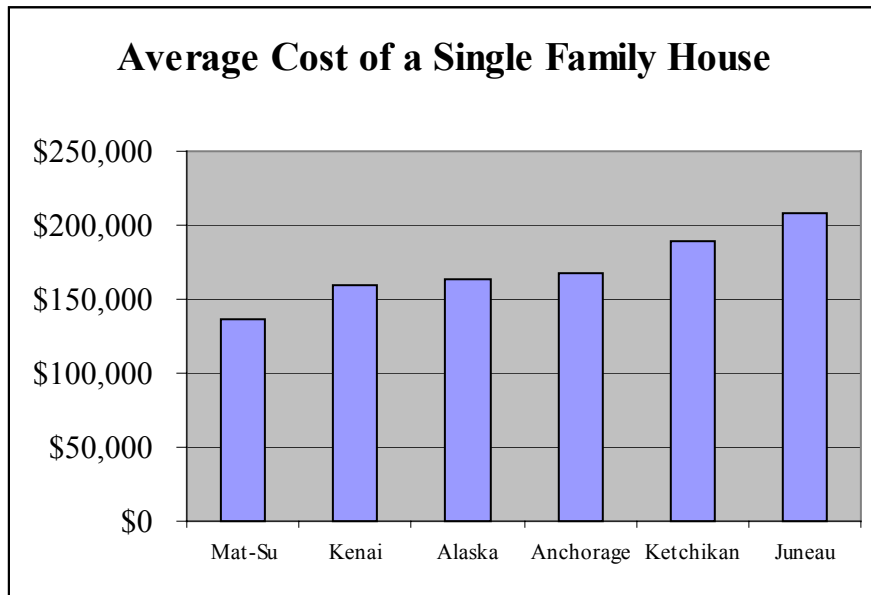
The Consortium has already received a \$2.4 million dollar IT training grant, designed to retrain workers in high tech fields, e.g., MTA's workers in telecommunications. The hope and expectation is that making training available to present high-tech employees will minimize the impact of rapid industry change, allowing present employees to remain employed and decreasing the need to import trained employees from other areas. New college level training opportunities are also expected to open up more career opportunities at the entry level of high tech occupations.

Another innovation being brought about by WIFA is a mandated link between schools and work programs. Area schools must, by law, develop a dialog and participate in a coordinated effort to prepare students with meaningful work skills. This means tremendous change, but also tremendous opportunities for area schools to develop curriculum that would not otherwise be possible. It also means that many industries which are currently facing shortages of skilled labor pools will get the opportunity to attract and train young people preparing to enter the workforce.

## Other Economic Indicators



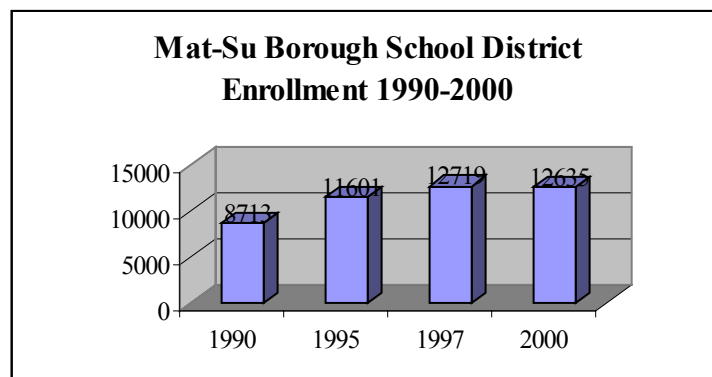




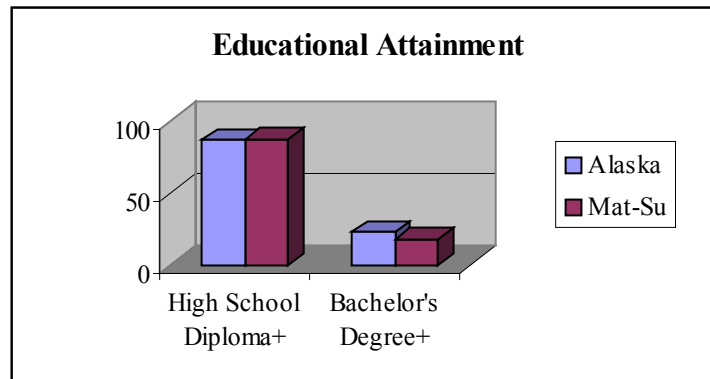
## Public Education

### Mat-Su Borough School District

Meeting the educational needs of the present and future members of the Mat-Su Valley work force is an unavoidable and necessary part of economic development. Rapid growth has created its own challenges throughout the education sector in the Mat-Su Valley, especially as the limited property tax base has not been able to keep up with the increased demand on the public schools caused by the influx of thousands of young families with school age children. Overcrowding reached a fever pitch for most schools three years ago. The addition of new schools, growth of private charter schools, and increased home schooling have alleviated overcrowding. Projected borough-wide enrollment for the 2000-2001 school year is 12,635, with 902 seniors who are expected to graduate in June, 2001. Two new elementary schools and one middle school will be opening in the 2000-2001 school year, with another high school opening in Houston in 2002. The new Houston school will allow the old school to be renovated into a middle school.



The Mat-Su Valley has slightly more high school graduates (87.8%), but fewer college graduates (18.1%), than other parts of Alaska. This may be due to a strong tradition of trades in this area, a robust demand for entry level workers, fewer post-secondary educational options, or a combination of these factors. The only college level institution in the Mat-Su Valley is the Mat-Su College, a branch of the University of Alaska. At present, the campus is very small and is only accredited to confer two-year Associate Degrees.



The College has added many upper level classes that can be applied to higher degrees within the University of Alaska system, and has continued to expand its range of Associate Degree options, but the need for a four-year college degree program remains. A "Catch-22" phenomenon exists in which declining enrollment at the college is viewed as a reason not to expand its program, when in fact, it must expand its program to meet the growing needs of its clientele and attract the students it needs.

Computer training is a difficult issue throughout the small communities of the Mat-Su Valley. Many smaller schools initially viewed computer training as an extra subject to be added if possible. More and more schools have come to recognize it as a necessity, but funding and expertise lag far behind that realization. Public school computer labs throughout the Mat-Su Valley remain outdated, understaffed, and under-maintained. A recent survey showed that a majority of elementary level students are using Windows 3.1 operating systems and 486 computers - software and equipment that is already a decade out of date and incapable of meeting modern software requirements.

Along with the need for computer training for current students, there is an equal need for adult computer education. The rapid pace of computer-related development, including e-commerce, is creating new urgency and demand. Several retailers now offer computer systems and services, and DSL connection has recently been introduced to the Mat-Su Valley, but many persons 35 and older are unprepared for the challenges of self-taught software.

Less than 7% of male students graduating high school prior to 1976 learned to type. Many trades and professions at that time did not require typing as a prerequisite. Another



obstacle for older computer users is learning computer jargon, which for many is tantamount to learning a foreign language. Classes and instructors are needed to help overcome these obstacles.

Another area of work force development that has yet to be addressed is the need for more training opportunities in the traditional building trades. With construction at an all-time high, builders and contractors throughout the state are desperate for qualified workers. This trend is not particular to the Mat-Su or the State of Alaska, but is a national trend which precludes the option of “importing” skilled labor as often happens with development projects in Alaska. The Mat-Su Valley has a large, youthful, trade-oriented work force, but limited higher level vocational training institutions to train them.

Candidates for apprentice and journeyman programs must travel a hundred miles roundtrip once or twice per week to Anchorage, for a period of up to four years, or they must relocate to Anchorage for weeks at a time for training sessions. Because of the large potential work force, the major unions have indicated their willingness to set up training programs in the Mat-Su Valley, but there is no appropriate training facility.

Non-union trade organizations that offer specialized training, such as the Associated Builders and Contractors', have also expressed enthusiasm and willingness to sponsor certificate programs and provide instruction in their areas of expertise. Despite industry-wide consensus, there is no comprehensive training program or facility in Alaska devoted to the construction trades. The Matanuska-Susitna Valley has the space, the work force, and the need to justify development of such a Vocational/Technical Training Center which would compliment current training programs.

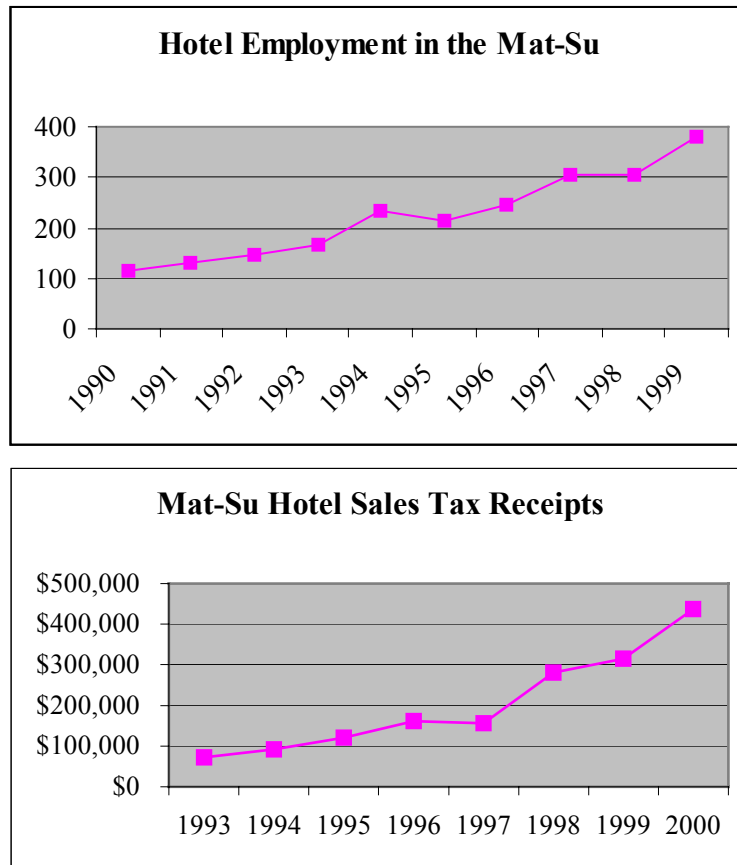
These educational elements compliment and support the planned changes mandated by the Work Force Incentive Act.

## **Tourism and Outdoor Recreation**

Tourism has steadily increased in economic importance since statehood and is now a major employer. In 1996, tourism contributed \$574 million to the state's economy. In 1998, that number grew to an estimated \$949 million: \$845 million during the traditional summer season, and \$104 million during the winter or “off-season”. The \$949 million circulates an estimated 2.5 times through the state's economy generating a total of \$2.6 billion dollars in total visitor spending “output”. Alaska's visitor industry generated 20,300 jobs and \$390 million in payroll in 1998, an increase of approximately 7% from the previous year. That number climbs to 30,700 jobs when considering indirect impact. As a whole, the industry accounts for 8% of all employment in Alaska and 5% of all wages (Alaska Visitor Industry Economic Impact Study, 1999 Update)

A substantial part of service sector growth can be traced to growth in tourism and year round visitor activities. The Mat-Su Valley has always been a popular destination for in-

state vacationing. The Valley's location, only fifty miles from Anchorage, has made it a favorite summer getaway for generations of Anchorage residents and many Anchorage families have vacation cabins or recreational properties in the Valley. In recent years, that traditional tourism and tax base has been supplemented by more out of state visitors and the expansion of winter recreational activities. Hotel employment has more than tripled in the past decade, and tourism remains a key growth sector for the Mat-Su economy.



One of the projects identified by the CEDS process involves development of infrastructure in support of a planned major recreational facility at Hatcher Pass, coupled with more development at the Independence Mine State Historical Park. The presence of a ski resort in the center of the Mat-Su Valley will be a cornerstone supporting the growth of a multi-season visitor industry, an advance that will make more year round jobs possible. Increased stability and duration of employment allows more families the security to invest in a home, a business, or both, and ultimately leads to more jobs and more development in sectors outside the hospitality industry.

The development of the recreational area at Hatcher Pass has been delayed by lack of infrastructure. Access roads and utility corridors are still being constructed and/or improved at the site. Phase One of the road improvement project is nearing completion, with bidding on Phase Two to start in September 2000. The total project is expected to

take another eight years, unless the Mat-Su Borough receives additional assistance in support of the endeavor.

The designation of public trails throughout the Mat-Su Borough will be a second advance toward an increased multi-season visitor industry. As part of the Asset Management Plan, trails throughout the Mat-Su Borough have been identified and surveyed. This is a first necessary step toward the creation of a public recreational trail system. Snowmachiners, dog sled enthusiasts and cross-country skiers have needed and wanted officially designated trails for many years, but to date the Iditarod Trail is the only designated trail in the Mat-Su Valley. Designation makes it possible for sports associations and other non-profit organizations to justify investments made to improve, groom, map, and provide signage and service areas like rest stops, foot bridges, and picnic facilities. The winter sports are especially responsive to trail grooming. Safe, well-groomed, and well-mapped winter trails can predictably draw thousands of winter visitors from Anchorage. These visitors contribute to the profitability of facilities that normally survive on only summer income. Increased profitability leads to expanded facilities, more jobs, and continued growth of the visitor industry.

The Mat-Su Convention and Visitors Bureau (MSCVB) markets the area and its hospitality services. Each year a detailed informational brochure is updated and distributed to thousands of potential visitors. The organization maintains a visitor's center near the intersection of the Glenn Highway and the Parks Highway.

Resident Alaskans visit the Mat-Su Valley an estimated 3,000,000 times each year for recreational purposes. Another 170,000 out-of-state visitors pass through the Valley. Most out-of-state visitors are in transit, going north to Denali National Park or south to the Kenai Peninsula. Because the Mat-Su Valley's destinations are not as famous outside Alaska, many of these visitors pass right by the world class sport fishing, camping, gold panning and sightseeing opportunities they are hoping to find.

This is a major problem for the Mat-Su visitor industry. Nearly half of all potential clientele "drives through, rather than to" the Mat-Su Valley. Ironically, more famous tourist destinations like Denali National Park and the Kenai River are suffering irrevocable damage and intense overcrowding. The answer lies in aggressive and precise pre-marketing. Most visitors carefully plan their trip to Alaska. Once here, they have a set agenda. The time to sell them on the benefits of the Mat-Su Valley as a destination is before they leave home. Marketing campaigns designed to "piggy-back" the efforts of the statewide tourism marketing program, can put the Valley's resources in front of the entire world. The development of these marketing tools would serve many ends and many industries in addition to the hospitality industry. In addition to the traditional visitors, new facilities and lodgings are increasing the Valley's opportunities and ability to host groups, retreats, and meetings. New marketing efforts are underway to develop this potential.

#### **Attractions:**

The Mat-Su offers some of the best views of Mount McKinley and about 30 percent of Denali National Park is within the borough. Plans to promote construction of a new visitor center on the south side of Denali National Park have been endorsed by the Borough Assembly and are being discussed in public forums. Current facilities within the park are over capacity. Two options being considered are construction of a visitor center on the Parks highway or improvement of the Petersville Road and building on a site overlooking the Tokositna River.

Sport fishing, skiing, snowmobiling and golfing are major lures for Anchorage residents looking for convenient access. Out-of-state visitors are typically passing through the region on the way to other parts of the state such as Denali, Anchorage or Kenai. Talkeetna has grown over the last several years as a destination, or “attraction” in and of itself. The high number of visitors travelling through the Mat-Su to interior Alaska destinations, combined with resident outdoor enthusiasts such as hunters, hikers, fisherman, and snowmachine riders, is a large factor in the economic strength of local economies and the relative strength of the retail and service sectors.

The Mat-Su is home to the Iditarod Trail Sled Dog Race headquarters, Iron Dog Snow Machine Race and Alaska State Fair. Museums include the Alaska Transportation and Industry Museum, Iditarod Park and Dorothy Page Museum. Palmer, the “New Deal” agricultural colony, is on the National Register of Historic Places and includes several renovated buildings such as the Mat-Su Borough Administrative offices, formerly Palmer High. Independence Mine State Historical Park is another important site. However, many of the structures are in immediate danger of collapse and need stabilization to survive. Plans to seek private bids on the management are underway.

Total number of resident Alaskans who visited the Mat-Su(1997-1998): **404,801**

Total Spent by resident Alaskans during that time: **\$85.4 million**

Mat-Su jobs directly supported by the resident Alaskan visits: **2,120**

Number of trips to the Mat-Su by resident Alaskans: **3,095,154 trips**

Source: “Tourism Trends in the Mat-Su Valley”, Mat-Su Convention & Visitors Bureau, June, 1999.

## **Natural Resources**

### **Mining**

Alaska’s mining production and exploration has been contributing more than \$1 billion annually to the state. Red Dog, owned by the NANA Regional Native Corporation, is one of the largest lead and zinc mines in the world. Usibelli Coal recently expanded with the completion of the Healy Clean Coal Project, a mine mouth power generation plant. This was funded, in part, by a U.S. Department of Energy grant in 1995. Fort Knox Gold Mine, near Fairbanks, started construction in 1995 and is now in production. Numerous other reserves of silver, lead, zinc, coal and gold have been identified around the state.

According to the Division of Economic Development “30 percent of federal lands are open for mineral entry, 90 percent of state lands are open for mineral entry, and essentially all of the ANCSA lands are open for exploration agreements negotiated with individual Native corporations” (Alaska Mineral Industry, May, 1995). The state has been supporting increased exploration with the Alaska Mineral Assessment Program. This program has provided detailed airborne magnetometer and electromagnetic surveys in the Nome, Circle, Valdez Creek, Niyac, Fairbanks and Richardson mining districts. The goal is to better identify the state’s mineral potential and attract private investment.

#### Mat-Su Borough

Mining activities are negligible. No sizeable ore mining operations are currently in production in the Mat-Su Valley, though large scale gold and coal mining flourished here in the past, and could open up again in the future. Rich deposits of high quality coal remain one of the region's untapped resources, but mining is subject to many potential bureaucratic gridlocks. A major proposed coal project (Wishbone Hill near Sutton in the Mat-Su Valley) was effectively shut down by interagency battles within the State of Alaska government. An estimated 180 potential jobs were sacrificed.

Despite this kind of past history, the state has also supported increased mineral exploration by sponsoring the Alaska Mineral Assessment Program. Detailed electromagnetic mapping of several mining districts has already occurred, and the majority of state and native corporation lands are potentially open to mineral exploration and production.

Gravel reserves provide the Mat-Su Valley's most important current export. The bulk of gravel output is transported to Anchorage, where ongoing construction and limited local resources serve to increase yearly demand. Gravel is a low value per unit product. There are no taxes on production. Processing is done in Anchorage. For these reasons, gravel is a less important product than it could be. Transportation via individual dump trucks and lack of a railside processing center increase inefficiencies and production expense.

#### **Natural Gas**

Natural gas is being produced in the Mat-Su Valley on a severely limited exploratory basis, but natural gas production can be expanded for many years to come without significantly diminishing the vast reserves available. Progress in extending the gas fuel grid remains agonizingly slow and uncertain despite the availability of LID’s and other options for financing line extensions. Only a handful of companies and a small number of employees are presently involved. Oil leasing and oil exploration continues in the Cook Inlet region, but it is primarily directed toward the Kenai Peninsula rather than the Mat-Su Valley.

## **Timber**

### State of Alaska

Alaska has vast timber reserves. The Tongass National Forest - the largest national forest in the United States - covers all of Southeast Alaska, less withdrawals for the Alaska Native Claims Settlement Act Corporations and areas around communities. The primary species are Western Hemlock and Sitka Spruce, mixed with some Alaska Yellow Cedar, Red Cedar and Lodgepole Pine. Interior Alaska has substantial amounts of timber along the major rivers in the area. Western Larch, Aspen, Paper Birch, and Cottonwood are the dominant species with Black Spruce occurring in the wetter areas. Southcentral has expanses of White Spruce, Paper Birch, and Aspen on the Kenai Peninsula and in the Matanuska-Susitna Valley.

Development of this resource varies widely throughout the State. In the 1960's, two pulp mills were established in Southeast Alaska at Ketchikan and Sitka through long-term timber sale contracts issued by the U.S. Forest Service. A number of sawmills located throughout the area produced lumber for both local and export use. A combination of technical obsolescence and changes in the Forest Service Tongass Land Use Management Plan (T-LUMP) led to the closure of both pulp mills. The T-LUMP reduced the allowable annual cut severely so that some of the larger sawmills were forced to restrict their output.

The regional native corporation in Southeast - SEAlaska - is currently investigating the possibility of establishing an ethanol production facility in Southeast. They have received substantial grants from the U.S. Department of Energy to conduct preliminary investigations and are nearly ready to start design of a facility.

The Alaska Science and Technology Foundation has conducted a multi-year process to help establish a mature wood processing industry in the Interior of Alaska. Their first step was to commission a market study by The McDowell Group. A final report was published in June 1998 which showed an annual market of 70 million board feet of construction lumber in Southcentral Alaska and 18 million board feet in the rest of the State.

Their next step was to arrange for lumber grading to be readily available to local sawmills. This resulted in mills on the Kenai Peninsula and in Fairbanks being able to produce kiln-dried, graded lumber for the instate market.

### Mat-Su Region

Timber utilization in the Mat-Su has declined over the past 20 years. The typical operator in the Valley is a small sawmill producing rough green lumber and/or house logs for the local market. As the population has grown, the demand for such material has actually decreased as the market has gotten more sophisticated. Southcentral Alaska in 1997 used 10 million board feet of treated lumber, 32 million linear feet of laminated/engineered

lumber, 70 million square feet of plywood-OSB -veneer and 32,785 tons of window frames, doors, moldings, etc.

Ownership of timberland in the Mat-Su Valley is primarily the State of Alaska. In 1991, the Susitna Forestry Guidelines estimated 1½ million acres of State ownership, 160,000 acres of Borough ownership, 15,000 acres of Native Corporation, 29,000 acres of University, and 38,000 acres of Mental Health and 96,000 acres of private ownership. (These figures include transfer of ownership from State to Mental Health which occurred after the Dec. 1991 publication.)

State management policy is in the Susitna Forestry Guidelines cited above. It divides the Susitna Valley into 3 phases of operations. Phase one has two parts: East side which consists of areas on the east side of the Susitna River plus lands east of the Boroughs' Chijuk Creek area, and lands around Mount Susitna. Phase two lands are east of the Kahiltna River, and Phase three includes all other State lands. The net timber base (gross timber base minus prohibited areas) for these lands is shown as:

<u>Area</u>	<u>Acreage</u>	<u>Volume</u>
Phase 1		
East Side	97,500 - 106,100 ac	90 - 97 MMcf
Mt. Susitna	19,000 - 19,400 ac	13 - 14 MMcf
Phase 2	131,000 - 135,800 ac	117 - 121 MMcf
Phase 3	217,900 - 230,300 ac	190 - 200 MMcf

The Guidelines have also set timing restrictions on the phases. Phase 1 is operable at any time, entry into Phase 2 is prohibited until 1996 or until the Susitna Area Plan is updated, whichever is later, and entry into Phase 3 is prohibited until after 2001 or until the Susitna Area Plan is updated, whichever is later.

Borough management has concentrated on title conveyance. Nevertheless, 111,000 acres have been classified for forest management. The timber rights to the Chijuk Creek unit consisting of about 26,000 acres have been sold to a private operator. The purchaser is currently developing road access to the area and plans to start logging soon. He proposes to sell white spruce to meet the local market demand and export the remainder as well as the birch.

The major impediment to development of a timber industry in the Valley is the lack of long term quality sales. Both the Borough and the State have scheduled sales sufficient to meet the existing demand. The State has the ability to make long term sales for development of value-added products, but the area prohibitions in the Susitna Forestry Guidelines limit that ability.

**Strategy**

The market for value added timber products in Southcentral is very large. It is in our best interests to substitute locally manufactured products for the imported materials. The work of the ASTF has given us a step up. We now need to take the next steps into a thriving timber manufacturing sector. To this end, the Mat-Su RC&D is working with the Alaska Manufacturing Association to develop a pre-feasibility study of value added manufacturing in the Valley. While the acreage of timberland is large, the quality is generally low. Therefore we need a facility that can add value to the low quality material. This may be an ethanol plant, a chip board plant, a laminated/engineered lumber plant, a combustion facility producing steam and/or electricity, or some other use. The study should indicate the optimum use or combination of uses.

Once this study is in hand, we will work with the State and Borough to offer a joint or cooperative sale to meet the needs of a prospective manufacturer.

Having that in hand we shall help to find an entrepreneur who is interested in undertaking such a venture. This should be eased by the availability of \$500,000 in the FY 2001 federal budget to assist in building a dry kiln in Southcentral Alaska.

We will also work with the State to amend, revise, or repeal the Susitna Forest Guidelines so that the industry will have the access to the resource that will be required if it is to grow.

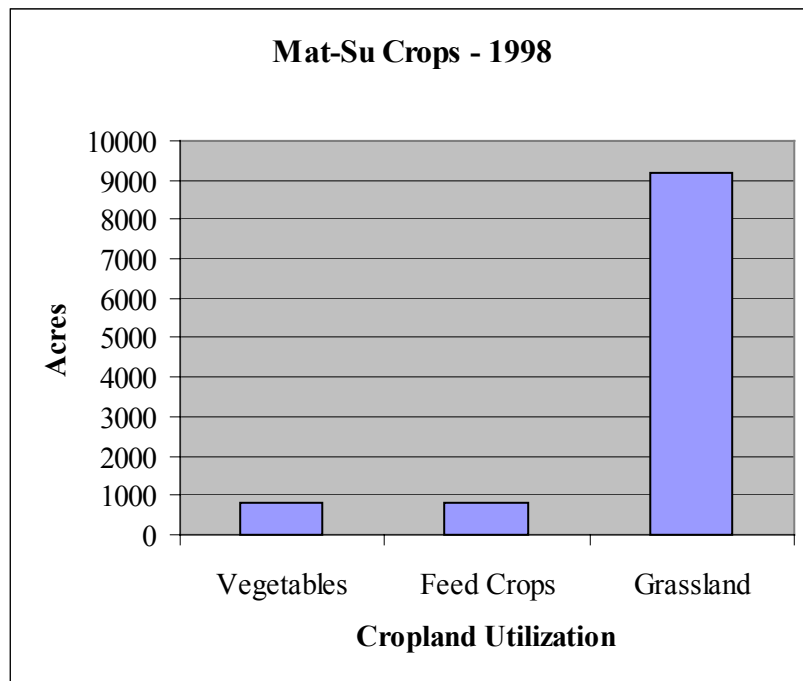


## Agriculture

Agriculture has a strong historical influence in the Mat-Su Valley since the arrival of the New Deal Colony in Palmer. As an economic influence, however, it's role has diminished over the years. The most recent statistics from the USDA Alaska Agricultural Statistics Service show that the total value of on-farm production (crops and livestock) was just over nine million dollars. While viewed relative to the total regional economy the total has dropped over the years, or rather failed to keep pace with the other economic factors, 55% of the state's total production and 33.4% of the total acreage was in the Mat-Su Valley. Many opportunities still await the area's agricultural industry. Supplying a higher percentage of the growing in-state population and specialty food markets in the Lower 48 are still considered to be attractive and attainable goals.

### Mat-Su On-Farm Production Values – 1998

Crops	\$6,111,000	
Livestock	\$2,911,500	
Total	\$9,022,500	(55% of total Alaskan industry)



Agriculture also has a strong influence on the history and culture of the region that far outweighs its current economic effects. Many of the communities annually celebrate their agricultural history during community events, and the Agriculture Appreciation Day is a community favorite every year. The area is also famous statewide, and in some cases nationally, for the agricultural exhibits at the state fair held in Palmer every fall.

## Infrastructure and Services

Alaska's infrastructure, including the transportation system, service sector, communications and power generation, has been greatly expanded in the past 20 years but are still quite limited in size and diffusion. Major projects will typically require significant infrastructure investments. Each of the most promising economic development projects for the Mat-Su require some infrastructure component to improve financial viability.

Project	Needed Infrastructure	Estimated Cost
Port MacKenzie	Extension of Utilities	\$5 million
Hatcher Pass Ski Area	Road Improvements Wastewater Treatment Facility	\$4 - \$8 million \$1.5 million
Wishbone Hill/Port MacKenzie	Rail Spur	\$40 - \$45 million

From the early days of the Fur Trade, Alaska's economy has been resource-based and market-driven. One notable development exception has been the Alaska Highway, which was mandated by the military imperatives of World War II. Fifty years later, this two-lane ribbon of gravel remains Alaska's only direct overland connection with the rest of the world. Incredibly, there are no rail lines connecting Alaska with the contiguous 48 states. All other transport is by air or by sea.

The lack of fast, inexpensive ground transport via a modern interstate highway or railway has crippled development of value-added industry throughout Alaska. The creation of virtually all value-added products requires machinery and secondary materials that must be transported to Alaska. Once produced, most value-added products have to be transported out of the state to reach viable markets.

Adding all these transportation costs to the production cost, many would-be manufacturers find there is little or no profit margin left. Without a substantial profit incentive to justify the many risks manufacturers face, progress toward value-added industry grinds to a standstill. The Alaskan economy remains caught in the "Boom and Bust" cycle typical of resource-based economies throughout the western states. Breaking through the transportation barrier is a huge undertaking.

Two apparent options exist and both are being pursued. One answer would be the establishment of a rail link to the Lower 48 via Canada. The other is the establishment of a deep-water commercial seaport in the Mat-Su Valley, Port MacKenzie, is a local project with the power to revolutionize the entire Alaskan economy. Both rail and sea

connections have advantages, and those concerned with the long-term development of Alaska's economy are supportive of both initiatives.

### **Port MacKenzie**

Port MacKenzie was originally perceived as a pipe dream. The immense expense and complexity of the undertaking seemed insurmountable. Today, the port is well on its way to being a reality. Groundbreaking at the Port was held in November, 1999, and the official ribbon cutting ceremony celebrating the completion of dock construction was held on September 6, 2000. The Alaska Congressional Delegation and many other members of government and the Alaskan business community have long recognized the urgent need for this port facility, and have worked for many years to accomplish construction at Point MacKenzie.

The construction of the dock cost approximately \$8.25 million, \$6.75 million acquired by the Alaska Congressional Delegation, and the rest matched from state and borough resources. The construction itself took only one year with an award winning design by the engineering firm Peratrovich, Nottingham and Drage, Inc., a brief time considering the port had been planned for over forty years by some accounts.

A new federal appropriation of \$4.5 million is currently being used to construct a ferry landing and design a ferry for use between the Mat-Su and Anchorage. An additional \$500,000 has been appropriated for an environmental review of a rail corridor to the Parks Highway, and the State of Alaska has teamed with the Alaska Railroad Corporation to build a rail spur, offering up \$6 million to match other sources of revenue.

With rail connections to other parts of Alaska, and hopefully to the rest of the United States in years to come, the Port at Point MacKenzie is poised to become the high capacity freight center Alaska has needed for so long. Not only will the port make possible the cost-effective transport of many traditional resource products like coal and timber, it will effectively overcome the barriers that now preclude development of value added industry.

Development of support infrastructure for the new port remains a serious issue for the Mat-Su Valley. Rail spurs and high voltage lines, highways and waste treatment, all cost tremendous amounts of money that the increase in local tax base cannot initially bear. Development of the port would not be possible without the strong commitment of federal, state, and local government, yet even more support is needed. The new port will need vast infrastructure development such as power, sewer/water, developed access to industrial area, fire-fighting equipment, fuel docks, a host of in-harbor services and facilities, an army of security guards, parking lots, and storage centers.

Port MacKenzie is by far the largest, most urgent, and most important public project ever undertaken in the Mat-Su Valley. Its completion and successful operation will mark a milestone in the history of Alaska and will finally open the doors to a stable self-supporting economic base.

### **The Alaska Railroad**

Construction of the Alaska Railroad (ARR) began in 1915. Basic construction continued until 1923. Anchorage, the state's largest city, began as a tent town serving as the railroad headquarters. When the railroad was completed it stretched 470 miles from the Port of Seward to Fairbanks. A network of spur lines and short runs has developed over the past 77 years. The Mat-Su Valley has 1,000 miles of documented rails, and needs still more to support new development.

The ARR runs parallel to the Parks Highway for most of its length and traverses the Mat-Su Borough from north to south. Imported commodities and supplies flow north, while raw materials and fuels now south to the existing ports.

Successful completion of Port MacKenzie will create the need for additional investment in railway development to serve the port. Spur lines for freight and passenger transport are already planned, but need additional funding. Many planners predict that a high-speed train with staging areas similar to the Bay Area Rapid Transit (BART) system will eventually be needed to connect the Mat-Su Valley and Anchorage.

At present the Alaska Railroad serves the communities all along its original 470 mile corridor. Connecting the rail system to a large commercial port facility opens the rail corridor, about one-third of the state, to development. If agreements can be reached with Canada to create a railway connection to the rest of the United States, the rapid and efficient transport of commodities would radically reduce the cost of living and doing business in Alaska. It would open up a new era of investment and migration that would impact the Mat-Su Valley along with the rest of the state.

### **Roads**

The Mat-Su Borough contains 30% of all Alaskan roads. The road grid in the Mat-Su Valley is the largest and most developed road system outside of Anchorage. There are innumerable short side roads that connect to meandering secondary roads, most of which were once miner's trails, logging tracks or early routes of the infant postal service. Most of these secondary roads are still not paved.

Even the larger "highways" are merely two-lane paved roads similar to U.S. Highways in the 1950s. Sections of the Glenn, the Parks, and the Seward Highways have been upgraded to modern standards. The section of the Glenn Highway connecting the Mat-Su Valley to Anchorage has been upgraded to conventional four-lane traffic, but at Palmer it becomes a two-lane ribbon of asphalt.

The cost of road building is often a serious part of the overall cost of development projects in Alaska, and the Mat-Su Valley is no exception. Typically, a road doesn't exist to a proposed development site or the existing road is hopelessly substandard for the proposed use. Road development has delayed progress of the Port MacKenzie Project,

the Hatcher Pass Project, and numerous other important development projects within the Mat-Su Valley.

Road building and improvement priorities are set by a complex Alaska Department of Transportation & Public Facilities (DOT/PF) ranking process that results in a list of projects being slated for each construction season. Level of funding, safety problems, usage, and development needs all play a part in determining which projects move forward and which ones are delayed. For business investors the slow pace and immense cost of even minor road improvements can be very discouraging. For an update on current road projects currently being undertaken by the Alaska Department of Transportation & Public Facilities in the Mat-Su Valley, refer to the 1999 Valley Economic Development Conference summary in Appendix A.

### **Airports**

The Mat-Su has three paved airstrips. The City of Palmer airport is 6,000 feet in length and serves rural cargo needs. Talkeetna is the base for flight seeing and Denali climbing expeditions and has a 3,500 feet asphalt strip. Wasilla's airport has a paved runway approximately 3,700 feet long. Each of these airports has lease space for tie downs and other services. Willow has a 4,400 foot gravel, lighted runway.

## Utilities

As mentioned earlier, the population of the Mat-Su Valley has largely settled along the margins of the road grid. Utilities have generally followed the population, but have not extended to cover a similar amount of service area as the roads.

There may be a road out to a small community, but that road may be 30 miles long and the community may have ten homes, a church, and a gas station. The cost/benefit ratio doesn't work out to positively encourage extension of utilities. The utility company cannot afford the investment given the current number of users, nor can it be justified (in most cases) by any known pending development.

The same scenario is repeated throughout Alaska and it involves all the utilities that currently exist, with the exception of cellular phone service. Cell phones have made telephone service available to virtually everyone on the planet, and they have been carried throughout Alaska including the most remote reaches of the Mat-Su Valley.

Conversely, large portions of rural Mat-Su Valley are without conventional electricity. Gas or diesel-fired generators are the only common source of electricity in these areas. There are still many families living by gas lights or kerosene lamps.

### **The Local Telephone Cooperative – Matanuska Telephone Association, Inc.**

MTA is a non-profit telephone cooperative incorporated in 1953. MTA operates eleven exchanges serving an area that extends from Eagle River in the South, to Anderson in the North, Sheep Mountain in the East and Tyonek in the West, an area of approximately 9,730 square miles.

Current status of telecommunications infrastructure in the Mat-Su Borough

Since January of 1995 MTA has invested over \$100 million dollars in new facilities. At the close of the 1999 calendar year, MTA provided service to over 55,000 access lines, all served by digital switches with the exception of remote rural radio subscribers. All eleven exchanges are linked to the Public Switched Telephone Network with SS7, making state of the art signaling available to over 98% of subscribers.

Line growth has historically been strong within the service area and has been accelerated by the demand for second and third lines that has been created by the popularity of the Internet.

<u>Access Line Gain</u>					
1997	1998	1999	2000(est.)	2001(est.)	2002(est.)
7.9%	12.1%	9.2%	7.9%	7.4%	7.0%

MTA has trunk and feeder fiber optic facilities in place from Eagle River to Talkeetna in the North and Palmer in the East. Alaska Fiber Star has mink fiber parallel to the Alaska Railroad extending from Seward to Fairbanks. Cellular and PCS services are available

through several competing carriers. Cellular service is generally available and continuous along the Parks Highway; service is intermittent along the Glenn Highway due to terrain and distances from established cellular sites.

Cable television service is provided by Rogers Cable Vision, but availability is generally restricted to the Palmer-Wasilla core area. Wireless cable extends north to the Houston/Big Lake area provided by Anchorage Communication Systems, and satellite sales and service companies thrive throughout the area.

### **State Wide Telecommunications Issues**

#### **State Telecommunications Modernization Plan (STMP)**

#### **3 AAC 53.705. Modernization Requirements**

- a) A telecommunications provider shall design its telephone network to allow for the expeditious deployment and integration of emerging technologies, as they become commercially feasible.
- b) A telecommunications provider may develop affordable tariff rates specifically for medical links and distance learning services, provided that they comply with AS 42.05.361 -42.05.421.
- c) A telephone company shall provide reliable powering of ordinary voice telephone service operating over those portions of the telecommunications network that are not network powered.
- d) After February 13, 1997, a telephone company shall only place
  - 1) New wireline facilities into service that can provide
    - A) every subscriber with one-party service; and,
    - B) as-built or with additional equipment, transmission and reception of data at a rate no lower than one megabit per second; and,
  - 2) Switching equipment into service that can provide
    - A) custom-calling features that, at a minimum, include call waiting, call forwarding, abbreviated dialing, and three-way calling; and,
    - B) enhanced 911 service (E911 service) for areas served by the telephone company when requested by the governmental agency responsible for that service.
- e) After February 13, 2003, a telephone company shall only place new wireline facilities into service that can provide, as-built or with additional equipment, the ability to transmit video capable of depicting a reasonable representation of motion.
- f) By February 13, 2003, a
  - 1) telephone company shall provide
    - A) service using switching equipment that can provide E911 service if requested by the governmental agency responsible for that service; and,

- B) one-party service upon demand to subscribers; and,
  - C) an end-to-end data transfer rate of no less than 28.8 kilobits per second;
- 2) telecommunications provider shall provide switched digital service that operates at a rate of at least 56 kilobits per second to any customer upon request.
- g) A telecommunications provider shall work towards
  - 1) elimination of party-line service; and,
  - 2) universal availability, upon request, of
    - A) digital voice and data service of at least 56-164 kilobits per second;
    - B) transmission and reception of high-bit-rate data at no less than 1 megabit per second; and,
    - C) reception of video as described in (e) of this section.
- h) Compliance with the requirements of 3 AAC 53.700 - 3 AAC 53.720 may not be used to justify unreasonable or imprudent construction of facilities.

### **National Telecommunications Issues**

Telecommunications Act of 1996, Public Law 104-104

The impact of implementation of this law is yet to actually be felt within the Mat-Su Borough but competition is expected to develop in the near future. There are several potential Competitive Local Exchange Carriers (CLEC).

### **Obstacles for Telecommunications Development in the Mat-Su Borough**

- Low subscriber densities which result in a higher cost of facility on a per subscriber basis.
- Ubiquitous commercial power
- Improvement in battery life and hold time
- Short construction seasons
- Land ownership disputes
- Multiple layers of governmental agency involvement
- Delays in permitting activities
- Lack of zoning to aid in development of facilities requirement plans

### **Goals for communities to reduce/maintain telecommunications costs**

It is MTA's objective to provide customers with a broad range of quality services at competitive rates. Particular emphasis is placed on maintaining and improving the speed and quality of both voice and data transmission. MTA committed to the elimination of roadblocks to increased data speeds and began implementation of the Carrier Serving Area Concept (CSA) in 1992, four years prior to requirements being established by the State Telecommunications Modernization Plan (STMP). The CSA concept is based upon the sectionalization of the wire center beyond 18kfi from the Central Office into discrete geographical areas with boundaries based upon the resistance limits of the digital equipment being utilized. Each CSA is to ultimately be served via a single Digital Loop Carrier (DLC) remote terminal site acting as an interface between the feeder and distribution facilities. Transmission between the Central Office (CO) and the DLC may



be either over copper cable T1 lines, which can accommodate transmission rates of up to 1.544Mbps, or for higher rates, a wide band facility such as fiber optic cable or digital radio. Undeveloped areas are grouped into super CSAs until sufficient information is gained through area growth to determine optimal placement locations for the DLCs. Digital technology exists for use on copper loops of 12-18kft of unbridged, non-loaded facility which can support 56kbps voice band modems over the same line as Plain Old Telephone Service (POTS), with 112kbps a near term possibility. An additional gain in the useful bandwidth that twisted copper is capable of delivering is attainable if lengths are less than 12kft. MTA has established over 150 CSA's since this process began.

### **The Local Electric Company – Matanuska Electric Association, Inc.**

Organized efforts to acquire electricity began in the Matanuska Valley Colony in the late Thirties, when the New Deal administration of Franklin D. Roosevelt sent colonists from Michigan, Minnesota and Wisconsin to Alaska. In 1935, FDR signed an executive order creating the Rural Electrification Administration, or R.E.A. to make low-interest loans available to rural cooperatives such as MEA. In 1940, REA sent MEA a telegram acknowledging the 1937 communication, saying it would consider a loan application from the Matanuska Valley colonists for electricity. Palmer-area residents elected incorporators shortly thereafter, and on March 1, 1941, they formed the Matanuska Electric Association.

By April 1942, MEA was providing electricity to 127 members, about half its total membership of 242. By the end of the decade, MEA had begun plans to build power lines to Sutton, and was listening to pleas for electricity from Chugiak residents who had been turned down by Anchorage power producers. In the early 1950s, MEA constructed power lines to Jonesville in the Sutton area northeast of Palmer and to Chugiak in the south. MEA had 58 customers on the Chugiak line and provided service to all 29 of the residents in the Birchwood area.

The federal government rebuilt the Eklutna Hydroelectric dam in 1955. The original wooden dam was constructed in 1928. In the early sixties, MEA built generation and distribution facilities for Alaska Native villagers in Stony River on the Kuskokwim River and Unalakleet, and performed some consulting work for the village of Tyonek. MEA still guarantees the REA loan for Unalakleet, which has about 300 residents.

MEA began paying capital credits in 1983, and has been paying them for sixteen straight years. Capital credits are the difference between operating expenses and revenue and are allocated to members based on electric service used. Including this year's retirement of \$1.3 million, MEA has returned more than \$19.5 million in capital credits to our members.

In 1987, MEA signed a new, long-term wholesale power contract, called the "tripartite" agreement, with Chugach and the AEG&T, an organization formed in 1984 by MEA and Homer Electric Association. (MEA signed its first contract with Chugach in 1950.)

In 1990, MEA's board voted to award \$10,000 in scholarships and place \$150,000 in unclaimed capital credits into a scholarship foundation, reviving a scholarship tradition which spanned the years 1963-82. The board continued to place unclaimed capital credits into the foundation over the next several years, and the fund now tops a half-million dollars. This year, the MEA Scholarship Foundation awarded \$31,500 in scholarships to 23 students. The foundation also provides funds for up to two annual scholarships to high school juniors to attend a National Rural Electric Cooperative Association (NRECA) youth leadership camp.

The 90-Megawatt Bradley Lake Hydroelectric Project came on line on Sept. 1, 1991. MEA's 13.8% share of the project's output will help provide a relatively low-cost source of electricity well into the next century.

In 1996 MEA took over operation and began acquiring partial ownership of the federal Eklutna Hydroelectric Plant. MEA recently purchased the plant in partnership with Anchorage Municipal Light & Power Company and Chugach Electric, securing a long-term source of low-cost power.

#### **MEA Snapshot**

Incorporated	1941
Members	29,381
Secondary Accounts	36,018
Full-time Employees	128
Utility plant in service	\$168,633,257
Miles of Line	3,037.7
Service Area	3,360 square miles
1997 Operating Revenue	\$45,907,451
1997 Electrical Sales	451,563,659 kWh

The following items were identified during a survey of MEA staff and pertain to future needs for economic development in the Mat-Su area.

1. Transmission Line and Substation to Port McKenzie
2. Three phase distribution feeders at Port - from substation to dock.
3. Substation for north Wasilla. This substation is part of MEA long range plan, and planned for around 2005
4. If the proposed highway bypass of Wasilla takes place, along with the relocation of the railroad, more land will be ripe for development. New distribution lines at a minimum will be needed, and possibly some transmission line and a substation will be required to serve the new growth.
5. Railroad spurs to the Port and to the Sutton coal fields will likely spawn development in those areas, also requiring new or upgraded utility facilities.

6. If the Hatcher Pass ski development takes place, MEA will need to upgrade our existing lines that lead to the area, and construct about 5 miles of new lines to serve the new load.
7. If a water and sewer district is formed to serve the core area (between Palmer and Wasilla) there is tremendous potential for growth. Even if commercial or industrial growth does not happen, a water and sewer system in this core area will allow for much smaller lot sizes than currently exist, and thus allow for a population more than 3 to 4 times that which would currently be possible. Most locations require at least one acre to install a well and septic. With central water and sewer available, lot sizes of smaller than 6000 sq. ft. are possible. This allows about 7 lots per acre.
8. As growth continues in Anchorage and Eagle River, and the little remaining land there gets developed, and becomes more and more expensive, growth will accelerate in the Valley, even without any additional efforts by the RC&D. This will cause strain on existing facilities, as well as require new substations and tie lines.
9. Other Borough or State road projects will likely open new areas for growth, or make existing areas more attractive for development. When Trunk Road is relocated and upgraded, the property on Trunk will be very attractive for commercial development. When Scott Road is extended to connect to Bogard, this will likely become a major collector and thus result in quick growth.
10. RC&D should actively support the creation of new transportation links that open up areas for commercial and industrial development, and that take away from the strip development that generally takes place now along the two main highways - Parks/Glenn and the Palmer Wasilla Hwy. Main north-south connecting links between these two, along with more east-west corridors will allow for in-filling rather than the expanding outward. From a utility viewpoint, the in-filling is a preferable development strategy over expanding outward.
11. Deregulation of the electric industry in Alaska will result in less investment in new facilities by MEA and will likely result in less investment in upgrading existing facilities, especially if we start to loose load to cherry picking. If the system is to remain viable, money from other sources will likely be the only way to get new projects built, or upgrades made to existing facilities. Deregulation of the electric industry elsewhere does not appear to be giving the same results as deregulation of the telephone industry. New technology in telecommunication has allowed for fundamental changes in the telephone and TV industry. Unless fuel cells or some other technology changes affect the electric industry in a similar manner soon, deregulation will deal a devastating blow to the reliability of electrical systems. RC&D could assist MEA by opposing deregulation legislation.
12. The Long-Range Plan completed for MEA by R.W. Beck in 1996 forecast only two new substations for MEA through 2015, one in north Wasilla, and the other in north Eagle River. Numerous upgrade to existing facilities were forecast, and a few new feeders from existing substations were anticipated to keep pace with expected growth patterns.

13. MEA supports Representative Don Young's (R-AK) efforts to promote construction of the Susitna Dam. Cheap energy and increased diversification of generation locations enhances economic development and reliability.
14. MEA also supports Senator Murkowski's (R-AK) efforts to promote a rail link to the lower 48 states as a key component to economic development and general infrastructure development.

### **Water/Waste Water**

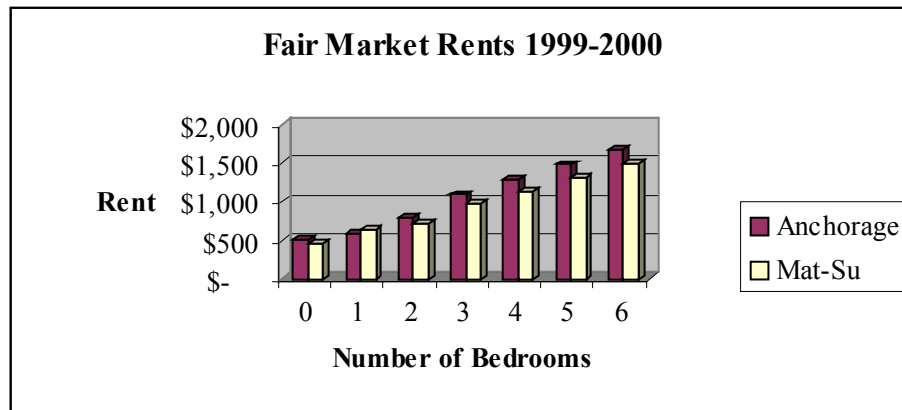
Being comprised of a largely rural population, most of the households in the Mat-Su Valley live on well and septic systems. Only the core areas have water and waste water systems, and these are largely out of date. A primary goal of future updates of this strategy will include an in-depth analysis of area water and waste water plans, and assist in the coordination between the respective communities on these issues. More information on the core area systems is available in Appendix B.

## **Housing & Real Estate**

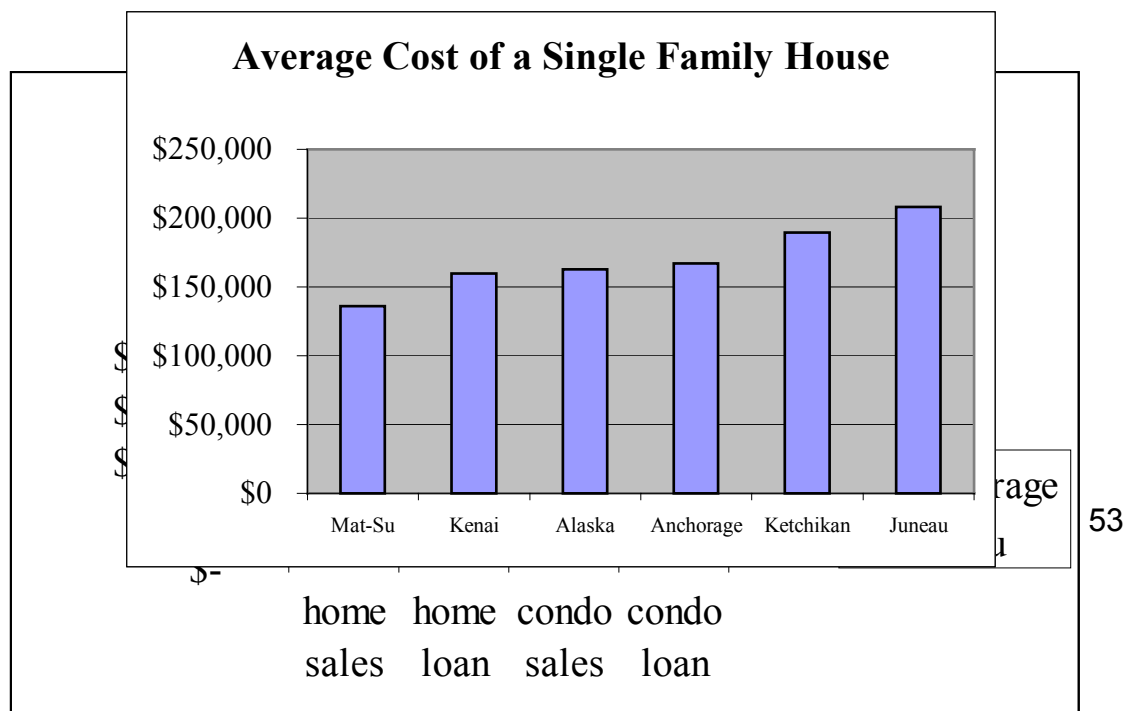
Two integral factors have contributed greatly both to the immense growth of the Mat-Su Valley and to the patterns in which it has grown: the proximity of Alaska's 'economic' capital – Anchorage, and the real estate market. Initially, growth as a bedroom community provided much of the early growth of area due to the short drive to Anchorage, the scenic, rural feel, and most importantly, the competitive real estate market.

As the Mat-Su Valley has grown, these qualities not only continue to provide a strong impetus for the Anchorage workforce to live in the Valley, but the growth of local employment opportunities and increased quality of life have made living and working in the Valley a viable option as well.

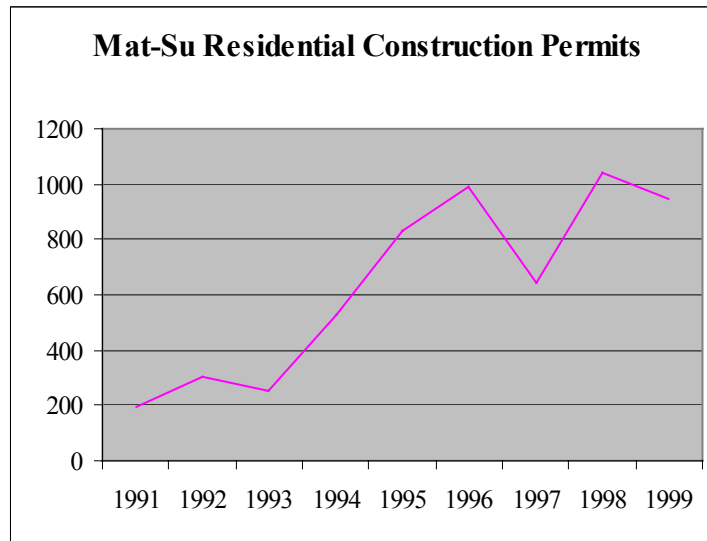
Fair Market Rents, as determined by the Alaska Housing Finance Corporation, show a 3 bedroom dwelling in Anchorage costing \$1,090 per month, while a similar dwelling in the Mat-Su costs \$964 per month.



According to AHFC, the average sale price of a home in Anchorage was \$177,166 in 1999, while the average sales price of a home in the Mat-Su was \$145,716, a difference of \$31,450. The average loan amount was \$158,319 for Anchorage and \$124,143 for Mat-Su. Condominium sales had a similar comparison, as Anchorage condominiums had average prices of \$96,343 (sales) and \$85,488 (loans) while Mat-Su condominiums came in at \$82,000 (sales) and \$73,800 (loans). In fact, housing prices are low in the Valley even compared to the rest of the state.



The demand for housing in the Mat-Su is exemplified by the fact that the rental vacancy rate is the lowest in the state for the third straight year at 3.9%, even though the rate increased 1.7% from the previous year. Residential building permits also mirror the demand, as new houses are being built at a rapid pace throughout the Valley. As housing costs in Anchorage continue to rise, and as the Valley continues to grow, continued increases in permitting are expected.



### **Senior Housing**

Senior housing is fast becoming an important statewide issue. Alaskans over the age of 65 represent the fastest growing demographic group in the state, and in fact, the nation. Between the years 1990 and 1998 the number of seniors grew 48%, and they grew 183% since 1980. A large demographic group just below that ensures that our senior population will continue to outpace housing and services in the near future. There is currently an existing need for 255 assisted living units statewide, and that number is expected to grow to 429 units by 2005, even with the current schedule of facility construction. The current estimated demand for independent living facilities is currently estimated at 537 units, and is expected to grow to 765 units by 2005. These figures also do not include the 424 seniors who are unable to afford housing because they make too much for Medicaid assistance, but not enough to pay for the housing from their own resources.

The cost to meet the current demand of senior housing in Alaska is estimated at \$87 million, a figure that will grow to \$135 million by the year 2005. These figures grow even more if one considers the inadequate facilities for disabled Alaskans. An estimated 25,103 Alaskans suffer from some form of severe disability, and are an estimated 628 on a wait list for services, including 90 waiting for housing.

According to the 1999 Senior Housing Inventory for the State of Alaska, the Mat-Su had 296 senior housing units available. Of those housing units, 141 were classified as Independent Living Facilities (ILF), and 155 were classified as Assisted Living Facility (ALF). There are waiting lists for senior housing and the demand for more senior housing is expected to increase in the future as the resident population ages and the demographics of the area shift into more traditional growth patterns.

<u>Location of Facility</u>	<u>Number of Units</u>	<u>Classification</u>
Houston	5	ILF
Palmer	48	ILF
Palmer	126	ALF
Talkeetna	3	ALF
Wasilla	88	ILF
Wasilla	24	ALF
Willow	2	ALF

## **Professional Services**

### **Health Care**

Valley Hospital in Palmer is the largest health care facility in the Mat-Su. It currently has 35 beds and is undergoing renovations. The other primary care centers are the West Valley Medical Clinic and the Providence Matanuska Health Care building, both in Wasilla. There are a total of 9 Ambulance districts in the Borough. Extensive surgical procedures and medical specialists are still most commonly found in Anchorage, however. Most severe mental health care cases are handled at the Alaska Psychiatric Institute in Anchorage as well.

### **Day Care**

Licensed Day Care is available throughout the core area, and in some of the outlying communities. The MTA yellow pages list 24 Day Care providers in the Valley.

### **Animal Control & Veterinary Services**

Animal Control services are provided by the Mat-Su Borough, and they are headquartered in Palmer. Lack of funding has recently led to a shutdown of the Big Lake office. A renovation of the headquarter facility was recently completed to help meet the growing demand and growing animal population which always follows a surge in human population. Considering the rapid growth of the Mat-Su population, more funding for animal control services and decentralization of facilities will be essential to keep pace with the growing need.

Probably due to the local popularity of sport and recreational dog mushing, the resident agricultural community, and the growing number of pet owners, veterinary services are relatively large scale in the Mat-Su Valley. Several modern new facilities are located in

the core area, and a disproportionate amount of veterinarians reside and practice in the popular dog mushing communities such as Knik and Willow.

### **Mortuary/Burial Services**

There are limited mortuary services available in the Mat-Su Valley. Wasilla has a mortuary service company, and Palmer lists a memorial park. A few small, scattered community and historic cemeteries are located throughout the Valley. Most services are available in Anchorage currently.

### **Public Safety & Court System**

Public Safety is the responsibility of the Alaska State Troopers, outside the cities of Wasilla and Palmer. Wasilla and Palmer both have local police forces which are responsible for their respective communities, and a local coalition of federal drug agents, local police, and state enforcement agents form the Mat-Su Narcotics Team. The Palmer Correctional Facility is the largest correctional facility in the Mat-Su, and the court system offices are located in Palmer. The Mat-Su Borough is responsible for fire protection, and has eight borough fire service areas and ten stations.

## **Cultural Development**

### **Historic Preservation**

The Matanuska-Susitna Borough is rich in history and culture; as rich and diverse as it is in natural resources, for it was the natural resources that brought the various cultures to Alaska. The diversity includes the earliest Native American villages along the main waterways of the Susitna and Matanuska rivers and their subsidiaries. During the gold rush of the late 1800's American town sites sprang up to service early explorers, gold miners and government expeditions.

Knik, settled in the late 1800's by whites, had a population of 400 and was a busy commercial port. Today Knik is recognized for the role it played as a starting point of the Iditarod trail to the gold mines and is the location of the Knik Museum that is listed on the National Register of Historic Places.

Talkeetna, a portion of which was proposed for nomination on the National Register of Historic Places, was started in the early 1900's as a small mining town. The community has an old miner's cabin, local museum and the historic Fairview Inn.

A historic district designation for Palmer has been submitted. The Palmer Economic Development Authority is working with the Palmer Chamber of Commerce and Alaska Division of Agriculture to implement a plan for the historical restoration of the original Matanuska Maid buildings as a museum and visitor destination.

The Borough has retained some of the early transportation routes consisting of trails; some of which exist today without recognition of their historic value. Other items of cultural interest are the Museum of Alaska Transportation, and Industry, Wasilla Dorothy



Page Museum, Sutton Alpine Historic Park and the Musher's Hall of Fame. There are also efforts underway to honor Chief Wasilla, an early Native leader, with a life-size statue and memorial.

## **Mat-Su Facilities**

### **Education**

- University of Alaska, Mat-Su Campus
- Alaska Pacific University Extension
- Alaska Job Corps Center
- 6 Borough High Schools
- 3 Borough Middle Schools
- 18 Borough Elementary Schools

### **Medical and Emergency Services**

- Valley Hospital
- West Valley Medical Center
- 9 Borough Ambulance Districts
- 8 Borough Fire Service Areas
- Palmer Fire Department
- Wasilla Fire Department

### **Cultural Facilities**

- Alaska State Fair
- Valley Performing Arts
- Valley Artists Guild
- Denali Arts Council
- 206 Historical Sites
- 6 Museums
- 7 Libraries

### **Parks & Recreation**

- Denali National Park
- 14+ State Parks
- 7 Borough and City Parks
- Over 1,000 miles of documented trails
- 3 mountain ranges
- 4 State Game Refuges
- 1 Moose Range
- 6 Recreational Rivers
- An indoor pistol shooting facility in Palmer
- An outdoor educational shooting range being planned in Houston
- 2 swimming pools
- 1 movie theater

## **Development Strategies and Implementation**

## **VI. CEDS Implementation**

Implementation of this plan will require private sector partners, acting in the best interests of their companies, to provide goods or services demanded by the market place. No development or expansion of the employment base is anticipated without meeting this fundamental requirement. To bring that about will also require the cooperation of the Mat-Su Borough, state land managers and development agencies such as EDA and the Mat-Su RC&D.

Local government can provide assistance in zoning, planning, finance, and regulation. The Mat-Su Borough has shown leadership in developing its potential through the Port Commission and work on Hatcher Pass. State government can play a key role by managing its resources for growth of the economy. Most important is an intent *“to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with public interest”*. Often lack of a component of infrastructure will determine feasibility of a project. EDA, through the Economic Development Grant program, can assist with feasibility studies or financial assistance. Finally, local groups such as the RC&D Council must work incessantly toward the attainment of the goals outlined in this CEDS if the plan is to be realized.

### **Goals and Objectives**

After examination of the Mat-Su’s economic base, population growth, land ownership and natural resource potential, a number of priorities emerged. The objectives of the Mat-Su Borough’s 2002 Strategic Plan are also reflected in this CEDS which is an indication of public awareness and support. In order for the region to improve economic opportunities for its residents, the following goals must be addressed:

1. Establishment of an industrial sector to provide employment and tax base:  
Building Port MacKenzie
2. Development of infrastructure supporting economic development: rail spur to Port MacKenzie, Hatcher Pass/Independence Mine road improvements, trail development
3. Establishment of an anchor attraction for tourism development: Hatcher Pass Ski Resort, Independence Mine, South Denali
4. Retention and expansion of existing businesses
5. Encourage transfer of ownership of unrestricted federal, state and borough lands to the private sector.
6. Support natural resource based opportunities: Forestry, mining, oil and gas

7. Strive to improve CEDS through participation, public input and dissemination.

After the goals were agreed upon, specific projects were listed and discussed. As expected, each potential undertaking had overlapping requirements and benefits. But the participants had a clear focus on the needs and capabilities of the area. A realistic appraisal of what could be accomplished also emerged.

**Goal 1. Establishment of an industrial sector to provide employment and tax base:**

*Objective:* Development of Port MacKenzie as an industrial site will provide a strategic location, with access to rail, roads and tidewater, for the processing and export of the region's natural resources.

Tasks:

- Work with the Mat-Su Borough Administration and Port Commission in efforts to seek financing for construction of the port and infrastructure targeting public or private sources.
- Identify component costs. Identify sources of federal funds. Research private port construction funding sources.
- Assist in the identification and contact of potential industrial users for the Port.
- Seek Free Trade Zone status for Port MacKenzie.

**Goal 2. Develop infrastructure in support of economic development.**

*Objective 1:* Work with Port Commission and Mat-Su Borough to solicit support from Alaska Railroad to build extension to service port.

Tasks:

- Seek to get rail spur on long term development schedule for the Alaska Railroad.
- Work with congressional delegation to identify funding sources for rail spur.
- Advocate mutual benefits of rail spur to railbelt communities, mining and forest product companies in interior Alaska.

*Objective 2:* Improvement or establishment of infrastructure needed to stimulate tourism development.

Tasks:

- Use the findings of the 1996 Mat-Su Tourism Infrastructure Needs Assessment with the Mat-Su Transportation Committee, State Transportation Improvement Program administrators and Department of Transportation. Those priorities were as follows:
  1. Improve Hatcher Pass Road (Little Su to Willow) and support Independence Mine restoration project
  2. Road from Willow to Point MacKenzie
  3. Parks Highway improvements, including slow moving vehicle pullouts, bridge walkways, trailhead improvements, rest areas
  4. Glenn Highway upgrade, including slow moving vehicle pullouts, bridge walkways, trailhead improvements, rest areas
- Work with snow-machine groups and the MSCVB to dedicate a snow machine trail from Homer to Fairbanks.
- Improvements at Lake Louise Recreational Area to provide visitor amenities and boating safety
- Work with MSCVB to provide more visitor accommodations and better information on attractions.
- Advocate creation of an inter-connected year round trail system throughout the Borough.

### **Goal 3. Establishment of an anchor attraction for tourism development.**

*Objective 1:* Encourage development of ski facility and historical mine site at Hatcher Pass

Tasks:

- Assist the Borough Manager's office and the Borough Assembly in its efforts to promote and coordinate development of the Hatcher Pass ski area.
- Hatcher Pass Historical Mine: Further rehabilitation of historical mine site and development of new visitor amenities by assisting in the privatization of the park.

*Objective 2:* Promote construction of a new visitor center on the south side of Denali National Park

Task:

- Assist in the public forums to determine best site and seek funding.

#### **Goal 4: Retention and Expansion of Existing Businesses**

*Objective 1:* Provide a forum for the exchange of information about the Mat-Su Borough's economic development activities.

Tasks:

- Assist in an annual economic development conference for the Mat-Su. Gather information about opportunities, trends and market conditions of use to local businesses.
- Work with the Chambers of Commerce and the Small Business Development Center in efforts to expand local businesses.
- Work with the Mat-Su Borough in development of business incentives and a stable and fair tax structure.

*Objective 2:* Provide information concerning the Mat-Su as a location for the construction and operation of correctional facilities.

Tasks:

- Research correctional siting issues.
- Research private vs. public operational concerns.
- Work with the legislative representatives, Department of Corrections, Borough Assembly and the relevant Community Councils to provide the best information on potential impacts, both positive and negative.
- Provide educational material to the public through newspapers, media and public forums to contribute an informational foundation to debate.

*Objective 3:* Encourage development of a mixed-use small business incubator facility within the Mat-Su Borough.

Tasks:

- Identify and assist a local non-profit corporation to establish a mixed-use small business incubator facility in the Borough.
- Work with the small business incubator management to ensure that economic development opportunities identified in the CEDS, such as timber and tourism, are given priority in assistance at the facility.

**Goal 5: Encourage transfer of ownership of unrestricted federal, state and borough lands to the private sector.**

State Lands: The state controls almost 60% of the land within the borough. A policy encouraging sale and/or sustainable use of state land is needed to stimulate economic development.

Borough Lands: The Mat-Su Borough government owned 355,000 acres, about 3% of the land within the borough's boundaries. This entitlement is for economic development, a tax base, and public purposes. It is in the best interest of both the borough government and its citizens to maximize private land ownership.

*Objective 1:* Seek adoption of Borough policy to provide for a portion of operating revenues to be derived from the disposition of unrestricted land to private individuals and access to all private land.

Tasks:

- Communicate to federal, state and local government representatives through position statements, informational brochures and public forums the advantages of private ownership and management of lands.
- Encourage acceleration of regular land disposals by various programs

*Objective 2:* Improve Borough's transportation infrastructure, including roads, improved traffic flow, construction of timber bridges, and access to remote lands.

Task:

- Construct demonstration timber bridges where replacements are mandated and funding is available.

**Goal 6: Support natural resource based opportunities: Forestry, Mining, Oil and Gas**

*Objective 1:* Advance development of a forest products industry to generate employment, encourage harvest and processing of renewable resources and provide an outlet for beetle-killed timber.

Tasks:

- Develop a Feasibility study to look at establishment of a value added wood products facility and to identify uses for Mat-Su forest products, infrastructure requirements and hindrances to implementation.
- Provide plan to public land managers and legislators to brief them on requirements for the establishment of industry and to potential forest product businesses interested in locating in the Mat-Su.
- Seek establishment of log sorting yard.
- Use opportunities such as the U.S. Forest Service Timber Bridge Commercialization program to continue to showcase cost-efficient uses of locally processed timber products.
- Identify obstacles to further value added processing of local wood products and assist in providing answers.

*Objective 2:* Support development of mining and oil and gas resources.

Tasks:

- Provide information and support to responsible developments that increase the employment and tax base of the Mat-Su and reflect community desires.
- Participate in public forums affecting natural resource development.
- Work to secure access to public lands identified for mineral or oil and gas development.
- Work with the Mat-Su Borough Assembly and our legislative delegation to promote development of infrastructure needed to bring resources to market.

**Goal 7. Strive to improve CEDS through participation, public input and dissemination.**

*Objective 1:* Advocate CEDS as a mechanism for bringing together diverse groups (including those with opposing viewpoints) to achieve common goals.

Tasks:

- Develop productive relationships with local, state and national government representatives for support of programs and projects.
- Prepare newsletter on CEDS activities for Board members and policy decision



makers.

- Report to sponsoring organizations, local community councils, governments, public schools and other organizations on activities of CEDS.
- Utilize local media outlets to publicize the activities of CEDS and develop better relationship with public.
- Hold annual meeting and invite public and partners.

*Objective 2:* Seek and apply for grant funding for projects that reflect the goals of the CEDS.

Tasks:

- Apply for designation as an Economic Development District to increase capability to implement CEDS goals and objectives.
- Successfully implement CEDS projects, including terminating unfeasible ones.
- Develop procedure for evaluating project success. Report to CEDS committee on status of ongoing projects and implement recommendations.

**Goal 8. Natural resources in the Mat-Su Borough are managed, conserved and developed using principles that protect environmental qualities while making productive use of resources.**

*Objective 1:* Promote development, production of value-added processes, and marketing opportunities for local natural resources that will lead to the development of new businesses and industries.

Tasks:

- Assist establishment of a birch syrup processing facility with financing.
- Provide technical assistance where appropriate in the establishment, analysis or planning of businesses.

*Objective 2:* Conservation and development of farmland, agricultural products and markets. Work towards protection of ground water qualities, by controlling erosion and sedimentation.

Tasks:

- Assist Wasilla Soil & Water Conservation District in inventorying stream bank problems along Little Susitna River.
- Review and make recommendations on the Borough's annual Capital Improvement Projects (CIP) List and its impact on economic development and natural resource conservation.
- Coordinate workshops and community training on natural resource conservation and development issues.
- Pursue funding to conduct natural resource-related workshops, based on the needs of the community. Research availability of grant sources.
- Support a stewardship approach to management of private and public forest lands. Target private land owners for participation in Forest Stewardship Program

## Sources

Alaska Department of Commerce & Economic Development, Division of Economic Development, Alaska Mineral Industry, State of Alaska, May, 1995

Alaska Department of Commerce & Economic Development, Division of Trade, Development & Tourism, Alaska Forest Products Industry, State of Alaska, April, 1994

Alaska Department of Commerce & Economic Development, Division of Trade, Development & Tourism, Rural Alaska Tourism Needs Assessment, State of Alaska, U.S. Department of Commerce, Economic Development Administration, unpublished, 1997

Alaska Department of Natural Resources, Division of Agriculture, Alaska Agricultural Statistics, 1998, State of Alaska, 1998

Alaska Geographic Society (AGS), 1982, Alaska's Oil / Gas & Minerals Industry, Alaska Geographic, Volume 9, Number 4

Eshenbach, Ted G. and Geistauts, George A. et. Al, 1986, Alaska's Future, Commentary on a Delphi Perspective, Alaska Pacific University Press, Anchorage, Alaska

Fried, Neal, The Matanuska-Susitna Borough: A Profile of the Fastest Growing Area in the State, Alaska Economic Trends, Alaska Department of Labor and Workforce Development, Research & Analysis Section, July, 2000.

Goldsmith, Oliver Scott, Alaska's Economy and Population, 1959 - 2020, Institute of Social and Economic Research, University of Alaska Anchorage, March, 1997

Goldsmith, Oliver Scott, Economic Projections: Alaska and the Southern Railbelt 1996 - 2025, Institute of Social and Economic Research, University of Alaska Anchorage, Sept. 1996

Goldsmith, Scott, Alaska Gross State Product 1961-1998, Institute of Social and Economic Research, University of Alaska Anchorage, June 1999.

Institute of Social and Economic Research, University of Alaska Anchorage, Research Summary, July 1997

Matanuska Electric Association, Inc. An Action Plan for Community and Economic Development, unpublished, MEA, Palmer, AK, 1992

Matanuska-Susitna Borough Overall Economic Development Program, 1994, Mat-Su Borough, unpublished, 1993

1998 Facts, Matanuska-Susitna Borough, Matanuska-Susitna Borough Planning Department, unpublished, April, 1998

Mat-Su Strat-Plan '02 (FY 1999 - FY 2002), Matanuska-Susitna Borough Planning Department, unpublished, January 12, 1999

Naske, Claus M., Slotnik, Herman E., 1987, Alaska - A History of the 49<sup>th</sup> State, University of Oklahoma Press, Norman

Alaska Department of Labor & Workforce Development, Research & Analysis Division

Alaska Department of Community & Economic Development, Division of Community and Business Development.

Senior Housing Inventory for the State of Alaska, Senior Housing Office, Alaska Housing Finance Corporation, July 7, 1999.

Alaska Housing Market Indicators, Alaska Housing Finance Corporation, Spring 1999.

2001 Annual Action Plan, Alaska Housing Finance Corporation.

Tourism Trends in the Matanuska-Susitna Valley, Mat-Su Convention & Visitors Bureau, June, 1999.

Alaska Visitor Industry Economic Impact Study – 1999 Update, Division of Tourism, Alaska Department of Commerce & Economic Development, May 1999.

# **Mat-Su RC&D Council**

## **CEDS 2000**

### **Appendices**

**Appendix A: Valley Economic Development Conferences**

**Appendix B: Community Profiles**

**Appendix C: Mat-Su Strat-Plan '02**

**Appendix D: Port MacKenzie Pre-Feasibility Study**

# **Appendix A**

## **1998 & 1999 Valley**

### **Economic Development**

### **Conferences**

# **Appendix B**

## **Core Area**

### **Community Profiles**

**\*\*Note:** For more community profiles on communities within the Mat-Su Borough, contact the Mat-Su RC&D, or visit the Alaska Department of Community & Economic Development at [www.dced.state.ak.us](http://www.dced.state.ak.us)

# **Appendix C**

## **Mat-Su Strat-Plan '02**



# **Appendix D**

## **Port MacKenzie Study**